

PHARMAXIS LTD

ABN 75 082 811 630

SHARE PURCHASE PLAN

OFFER BOOKLET

Thursday, 25 November 2021

Opening Date: Thursday, 25 November 2021

Closing Date: 5:00pm (Sydney, Australia time) on Wednesday, 15 December 2021

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA

Important Notice and Disclaimer

This Offer Booklet and the accompanying Acceptance Form contains important information. If you are an Eligible Shareholder, this document requires your immediate attention, and should be read in its entirety.

This Offer Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation and particular needs. You should consult your stockbroker, solicitor, accountant or other professional adviser before making any investment decision in relation to this Offer.

The offer of SPP Shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**) which grants relief from the requirement for Pharmaxis to prepare a disclosure document for the SPP subject to certain terms and conditions. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Overseas Shareholders

The laws of some countries prohibit or make impractical, participation in the SPP by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of Pharmaxis Shares for sale in any other jurisdiction.

Custodians may not distribute any part of this document, and may not permit any beneficial shareholder to participate in the SPP, in any country outside Australia or New Zealand.

New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of Pharmaxis at the Record Date shown on the Register to have registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Application payments must be received in Australian dollars.

United States

This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any place outside Australia or New Zealand. In particular, this Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares in the United States or to any person acting for the account or benefit of any person in the United States. The SPP Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) (**Securities Act**). The SPP Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws.

Key Dates

Event	Date
Record Date	7:00pm (Sydney, Australia time), Tuesday, 16 November 2021
Announcement Date	Wednesday, 17 November 2021
Despatch of the SPP Booklet and SPP Opening Date	Thursday, 25 November 2021
SPP Closing Date	5:00pm (Sydney, Australia time), Wednesday, 15 December 2021
Announcement of results of SPP	Monday, 20 December 2021
Issue Date	Tuesday, 21 December 2021
SPP Shares issued under the SPP commence trading on ASX	Wednesday, 22 December 2021
Despatch of holding statements in respect of the SPP Shares issued under the SPP	In the week commencing Monday, 3 January 2022

This timetable is indicative only and subject to change. The Directors of Pharmaxis may, at its discretion, vary any of the above dates, subject to the Corporations Act, the Listing Rules and other applicable rules, by sending a revised timetable to the ASX. The commencement of quotation of the SPP Shares is subject to confirmation from the ASX.

Thursday, 25 November 2021

Dear Shareholder,

On behalf of the Pharmaxis Ltd (**Pharmaxis**), I am pleased to invite you to participate in Pharmaxis' Share Purchase Plan (**SPP**). The SPP gives Eligible Shareholders the opportunity to acquire up to \$30,000 of new fully paid ordinary shares in Pharmaxis (**SPP Shares**), at an Issue Price of \$0.105 per SPP Share without incurring brokerage or transaction costs.

On Wednesday, 17 November 2021, Pharmaxis announced that it had raised approximately \$7.2 million by way of a placement of new fully paid ordinary shares to institutional and sophisticated investors (**Placement**). Pharmaxis also announced that it intended to raise approximately \$2.0 million by way of an offer to Eligible Shareholders under an SPP. Further details of the Placement and a copy of the Investor Presentation can be found in the ASX announcements dated Wednesday, 17 November 2021, which are available at www.asx.com.au and <https://www.pharmaxis.com.au/investor-centre/asx-announcements/>.

The SPP is not underwritten. Depending on the level of demand, Pharmaxis may, at its absolute discretion, determine to raise a higher amount or decide to scale back Applications under the SPP.

The decision to raise capital through the Placement and the SPP is to fund trials and for working capital.

I encourage Eligible Shareholders to participate in the SPP and take advantage of the opportunity to acquire additional Pharmaxis Shares.

Key features of the SPP

- **Price** – Shares are offered under the SPP at an Issue Price of \$0.105 per SPP Share, which represents:
 - a 12.4% discount to the volume weighted average price (VWAP) of \$0.1198 on Friday, 12 November 2021; and
 - a 12.0% discount to the VWAP of Pharmaxis Shares traded on the ASX over the last five days on which sales in Pharmaxis Shares were recorded before Wednesday, 17 November 2021¹ (being the date on which the SPP was announced).
- **Eligible Shareholders** – Participation in the SPP is optional and is open to Eligible Shareholders, including Eligible Shareholders who are Custodians on behalf of Eligible Beneficiaries on the term and conditions set out in this Offer Booklet. Your right to participate in the SPP is not transferable.
- **Offer Period** – The SPP opens on Thursday, 25 November 2021, and is expected to close at 5:00pm (Sydney, Australia time) on Wednesday, 15 December 2021.
- **Ranking of SPP Shares** – All SPP Shares issued under the SPP will rank equally with existing Pharmaxis Shares after commencement of trading.

The terms and conditions of the SPP are set out in this Offer Booklet. I encourage you to read this Offer Booklet carefully and in its entirety. You should also consult with your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the SPP.

¹ The relevant five days are Monday, 8 November 2021 to Friday, 12 November 2021.

How to apply

To apply for SPP Shares, you must make your Application online at <https://pxsSPPoffer.thereachagency.com> and follow the instructions to complete the online Application Form and receive your unique payment reference details.

- Eligible Shareholders who wish to apply for SPP Shares must pay the Issue Price for the SPP Shares they wish to apply for via BPAY® in accordance with the instructions on the Application Form, so that it is received prior to the Closing Date.
- If you are a New Zealand shareholder and you are unable to pay via BPAY®, you may pay via EFT in accordance with the instructions on the Application Form.

You are not required to return your Application Form. Payments by cheque will not be accepted.

Applications for SPP Shares can only be made in \$1,000 increments and must be for a minimum of \$1,000 and a maximum of \$30,000.

If you have any questions in relation to how to participate in the SPP, please contact the Pharmaxis by email at david.mcgarvey@pharmaxis.com.au.

On behalf of the Board, I thank you for your continued support and encourage you to consider participating in the SPP.

Yours sincerely

Malcolm McComas
Independent Chairman

Key Information on the SPP

This section outlines the key information on the SPP. You should read this section in conjunction with the attached Terms and Conditions of the SPP.

1. What is the Share Purchase Plan (SPP)?

The SPP being offered by Pharmaxis gives Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of SPP Shares in Pharmaxis, without incurring brokerage or other transaction costs.

SPP Shares issued under the SPP will rank equally with all other fully paid ordinary shares on issue in the capital of Pharmaxis after commencement of trading.

2. Do I have to participate in the SPP?

No, participation in the SPP is entirely voluntary.

Pharmaxis recommends that you consult with your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the SPP.

If you do not wish to participate in the SPP, do nothing.

3. What is the Issue Price of the SPP Shares under the SPP?

The Issue Price of each SPP Share issued under the SPP will be \$0.105 per SPP Share, which represents a 12.0% discount to the volume weighted average price of Pharmaxis Shares traded on the ASX over the last five days on which sales in Pharmaxis Shares were recorded before Wednesday, 17 November 2021² (being the date on which the SPP was announced).

The number of SPP Shares to be issued to each applicant will be calculated by dividing the amount subscribed for by the applicant (subject to any scale back at the discretion of Pharmaxis) by the Issue Price. Fractions will be rounded up to the nearest whole SPP Share.

There is a risk that the market price of Pharmaxis Shares may rise or fall between the date of the offer under this Offer Booklet and the time of issue of SPP Shares under the SPP. This means that the Issue Price for the SPP Shares may be less than or more than the market price of Shares at the date of this Offer Booklet or at the Issue Date. Your Application is unconditional and may not be withdrawn even if the market price of Pharmaxis Shares is less than the Issue Price.

4. What is the market price of Pharmaxis Shares?

The market price of Pharmaxis Shares can be obtained from ASX's website (www.asx.com.au) by searching the ASX code "PXS".

5. How much will Pharmaxis raise under the SPP?

Pharmaxis is seeking to raise approximately \$2.0 million under the SPP. At its absolute discretion, Pharmaxis has the ability to scale back Applications should it receive demand above that amount, or to issue a higher amount (and, if the higher amount is issued, to either accept Applications in full or scale back Applications, at its absolute discretion).

6. How will the funds raised from the SPP be utilised by Pharmaxis?

The net funds raised from the SPP will fund the trial and general working capital.

² The relevant five days are Monday, 8 November 2021 to Friday, 12 November 2021.

7. Am I eligible to participate in the SPP?

Eligible Shareholders may participate in the SPP.

An Eligible Shareholder is a Shareholder who is a registered holder of Shares on the Record Date (being 7:00pm (Sydney, Australia time), Tuesday, 16 November 2021) with a registered address in either Australia or New Zealand that are not in the United States and are not acting for the account or benefit of person in the United States (or, in the event that such holder does act for the account or benefit of a person in the United States, it is not participating in the SPP in respect of that person).

Custodians who are Eligible Shareholders may apply for SPP Shares on behalf of their Eligible Beneficiaries as at the Record Date, according to the terms set out in the Terms and Conditions. Custodians must certify (amongst other things) that each Eligible Beneficiary for whom it applies for SPP Shares has a registered address in Australia or New Zealand.

The Board of Pharmaxis has determined that it is either not lawful or not practical for Shareholders in other jurisdictions to participate in the SPP.

8. What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive SPP Shares for one or more Eligible Beneficiaries, you must complete and submit a Custodian Certificate before your Application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (amongst other things) that each Eligible Beneficiary has not applied for an amount exceeding the \$30,000 limit under the ASIC Instrument across all of their holdings. Each Custodian will need to determine for itself whether its beneficiaries are Eligible Beneficiaries.

Information as to how to access a Custodian Certificate can be obtained from the Registry by calling 1300 850 505 or +61 3 9415 4000.

Custodians must not participate in the SPP on behalf of, any person in the United States or any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) and must not distribute this Offer Booklet or any documents relating to the SPP to any person in the United States or any person acting for the account or benefit of a person in the United States. In the event that a Custodian or nominee is acting for the account or benefit of a person in the United States, it is not permitted to participate in respect of that person. Failure to comply with these restrictions may result in violations of applicable securities laws.

A Custodian will be ineligible to participate in the SPP if their participation would be in breach of the ASIC Instrument.

9. How many shares can I apply for under the SPP?

You may apply for a minimum of \$1,000 and up to a maximum of \$30,000 of SPP Shares under the SPP. Applications must be in \$1,000 increments. Depending on the demand, Applications may be scaled back at the absolute discretion of Pharmaxis.

10. How will the SPP Shares be allocated?

The Pharmaxis Board may, in its absolute discretion, decide to issue any person fewer SPP Shares than that person applied for under the SPP.

Without limiting the Board's discretion, SPP Shares will not be issued to an applicant if the issue of those SPP Shares, either alone or in conjunction with the issue of SPP Shares under other Applications received by Pharmaxis, would contravene any law, the Listing Rules or the ASIC Instrument.

If Pharmaxis issues a lesser number of SPP Shares than a Shareholder has applied for (including under any scale back), application money received from that Shareholder not applied in subscribing for SPP Shares will be returned to the applying Shareholder, without interest, by way of direct deposit to a bank account or by cheque, according to your instructions held by the Registry, at the time the payment is made (unless the amount is less than \$2, in which case it may be donated to a charity or charities nominated by Pharmaxis). What happens if the SPP is oversubscribed?

The SPP aims to raise approximately \$2.0 million. If the SPP is oversubscribed, at the absolute discretion of the Pharmaxis Board, it may scale back the number of SPP Shares that will be issued to individual Shareholders under the SPP. If a scale back occurs, you may receive fewer SPP Shares than the parcel of SPP Shares you have applied for, and any excess application money paid will be refunded to you, without interest (unless the amount is less than \$2, in which case it may be donated to a charity or charities nominated by Pharmaxis). It is Pharmaxis' intention that any scaleback will be applied having regard to existing holdings of Eligible Shareholders and size of the parcel of SPP Shares applied for.

11. Can my right to participate in the SPP be transferred?

No, offers made under the SPP are not renounceable. Shareholders cannot transfer their right to acquire SPP Shares under the SPP to any other person.

12. Is the SPP underwritten?

No, the SPP is not underwritten.

13. How do I apply for SPP Shares under the SPP?

Applications to acquire SPP Shares under SPP must be made online at <https://pxsSPPoffer.thereachagency.com> and follow the instructions to complete the online Application Form to receive your unique payment reference details which is required to identify your shareholding.

- Eligible Shareholders who wish to apply for SPP Shares must pay the application amount for the SPP Shares they wish to apply for via BPAY® in accordance with the instructions on the Application Form.
- If you are a New Zealand Eligible Shareholder and you are unable to pay via BPAY® you may pay via EFT in accordance with the instructions on the Application Form.

You must ensure that your payment for the appropriate amount in Australian dollars is received by the Registry by 5:00pm (Sydney, Australia time) on the Closing Date of **Wednesday, 15 December 2021**. Financial institutions may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment. You are not required to return your Application Form to the Company. Payments by cheque will not be accepted.

14. What are the key dates for the SPP

Record Date (the date that eligibility to participate in the SPP is determined)	7:00pm (Sydney, Australia time), Tuesday, 16 November 2021
Announcement Date	Wednesday, 17 November 2021
Opening Date	Thursday, 25 November 2021
Closing Date	5:00pm (Sydney, Australia time), Wednesday, 15

	December 2021
Issue of SPP Shares under SPP	Tuesday, 21 December 2021
SPP Shares commence trading on ASX	Wednesday, 22 December 2021
Despatch of SPP Shareholding statements	In the week commencing Monday, 3 January 2022

This timetable is indicative only and Pharmaxis may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX. All times are Sydney time.

15. When do I receive notification of my issue of SPP Shares?

The Registry will send Issuer holders a statement in the week commencing Monday, 3 January 2022, which will include details of the number of SPP Shares issued to you and your total holding of Pharmaxis Shares. CHESS holders will receive their holding notice via CHESS.

SPP Terms and Conditions

If you participate in the SPP, you are accepting the risk that the market price of Pharmaxis Shares may change between the Opening Date and the Issue Date. This means that the Issue Price for the SPP Shares may be less than or more than the market price of Shares at the Opening Date or the Issue Date. Your Application is unconditional and may not be withdrawn even if the market price of Pharmaxis Shares is less than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Shareholders participating in the SPP will also be bound by the constitution of Pharmaxis.

The Key Information on the SPP, Important Notice and Disclaimer and Glossary sections of this Offer Booklet form part of these terms and conditions.

The Glossary section contains definitions of some of the terms used in these terms and conditions.

1. Offer

- 1.1 Pharmaxis Limited offers each Eligible Shareholder the opportunity to purchase up to \$30,000 worth of SPP Shares under the Share Purchase Plan (**SPP**) subject to and in accordance with these terms and conditions (**Offer**).
- 1.2 The Offer is dated and taken to be made on the Opening Date. Applications may be made on and from the Opening Date. The Offer closes on the Closing Date and all Applications and payments of application money must be received by the Registry by the Closing Date.
- 1.3 The Offer is made in Australia under and in accordance with the ASIC Instrument, and in New Zealand under and in accordance with the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.
- 1.4 You are eligible to participate in the Offer if you are an Eligible Shareholder.
- 1.5 The Offer is not made to Shareholders with a registered address outside of Australia or New Zealand.
- 1.6 Each Offer is made to each Eligible Shareholder (whether you are a Custodian or you hold Shares on your own account) on the same terms and conditions. All Eligible Shareholders will receive the same offer, irrespective of the number of Shares which they hold on the Record Date.
- 1.7 The Offer is non-transferable and therefore, Eligible Shareholders cannot transfer their right to purchase SPP Shares under the SPP to any other person.
- 1.8 Participation in the Offer is voluntary. It is a matter for each Eligible Shareholder to decide whether or not they apply for SPP Shares under the Offer.
- 1.9 The Offer is not underwritten.

2. Joint holders and Custodians

- 2.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them will be effective in respect of the other joint holder/s.
- 2.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the Offer on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Shares.

3. Application for SPP Shares

- 3.1 An Eligible Shareholder may apply for SPP Shares in \$1,000 increments. Applications must be for a minimum of \$1,000 and a maximum of \$30,000.
- 3.2 To apply for SPP Shares, Eligible Shareholders must either:
- (a) make a payment for the application amount via BPAY® in accordance with the instructions on the Application Form so that the payment is received by 5:00pm (Sydney, Australia time) on the Closing Date.
 - (b) If you are a New Zealand Eligible Shareholder and you are unable to pay via BPAY® you may pay via EFT in accordance with the instructions on the Application Form so that the payment is received in Australian dollars by 5:00pm (Sydney, Australia time) on the Closing Date.
- 3.3 If you wish to apply for SPP Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit a Custodian Certificate that contains further certifications and details (required under the ASIC Instrument) before your Application will be accepted. Applications by Custodians that are not accompanied by a duly completed and signed Custodian Certificate will be rejected.
- 3.4 In any consecutive 12 month period, the maximum value of Shares for which each Eligible Shareholder may subscribe under the SPP is \$30,000 (or such other amount as the Board may determine in its discretion). This limit applies to each Shareholder even if that person holds Shares in more than one capacity – for example, as a sole holder and as a first (or subsequent) named holder of two or more joint holders.
- 3.5 If you are a Shareholder that is expressly recorded as a trustee or nominee expressly noted on the Register, and are not a Custodian, you may receive an Offer for each occasion that you are separately recorded as a trustee or nominee for a different beneficiary named on that register, but may not apply for SPP Shares with a total dollar amount of more than \$30,000.
- 3.6 Pharmaxis and its officers and agents may refuse to accept or may suspend or withdraw any Application for SPP Shares at their discretion, including if:
- (a) that Application does not comply with these terms and conditions;
 - (b) that Application might:
 - (i) prejudice the effective operation of the SPP; or
 - (ii) give rise to breaches of applicable laws or the Listing Rules;
 - (c) it appears that the applicant is not an Eligible Shareholder;
 - (d) the applicant is a Custodian and has not provided the required Custodian Certificate;
 - (e) it appears that the applicant is applying to purchase more than \$30,000 worth of SPP Shares in aggregate (including as a result of Shares the applicant holds directly, jointly or through a custodian or nominee arrangement) or otherwise in contravention of the ASIC Instrument;
 - (f) the Application is not for an amount in a \$1,000 increment;
 - (g) payment of the application money is not submitted in Australian currency;

(h) the applicant's BPAY® or EFT (EFT available to New Zealand Eligible Shareholders only) payment is incomplete or invalid;

(i) the application money is received after the Closing Date; or

3.7 If you are entitled to a refund of all or any of your application money, the refund will be paid to you, without interest, as soon as is practicable following the Issue Date by direct credit to a bank account or by cheque, according to your instructions held by the Registry, at the time the payment is made (unless the amount is less than \$2, in which case it may be donated to a charity or charities nominated by Pharmaxis).

4. SPP Shares

4.1 SPP Shares issued under the SPP will rank equally in all respects with existing Shares.

4.2 SPP Shares will be issued on or about the Issue Date.

4.3 Pharmaxis will apply to ASX for quotation of SPP Shares on the ASX.

4.4 The Registry will send you a holding statement, confirming the issue of SPP Shares, in the week commencing Monday, 3 January 2022.

5. Issue Price

5.1 The Issue Price per SPP Share is \$0.105 per SPP Share, which represents a 12.0% discount to the volume weighted average price of Shares traded on the ASX over the last five trading days on which sales in Pharmaxis Shares were recorded before Wednesday, 17 November 2021³ (being the date on which the SPP was announced).

5.2 The current Share price can be obtained from the ASX.

5.3 You agree to pay the Issue Price per SPP Share for the number of SPP Shares calculated under clauses 6.1 and 6.2 (subject to clause 7 if there is a scale back).

6. Number of SPP Shares to be issued

6.1 If you apply for SPP Shares, you will apply for a certain value, rather than a certain number, of SPP Shares. If your application is accepted, Pharmaxis will divide the value of your application money by the Issue Price in order to determine the number of SPP Shares which, subject to scale back, will be issued to you.

6.2 If this calculation produces a fractional number, the number of SPP Shares issued will be rounded up to the nearest whole SPP Share.

6.3 If applicable, you must accept a lesser number of SPP Shares issued to you than applied for and must accept a refund of the application money in relation to those SPP Shares applied for but which are not issued to you, without interest.

7. Scale back

7.1 The Pharmaxis Board may, at its absolute discretion, undertake a scale back of applications for SPP Shares to the extent and in the manner it sees fit. It is the intention of Pharmaxis that if a scale back is applied, it will have regard to the existing holdings of Eligible Shareholders and the size of the parcel of SPP Shares that have been applied for.

7.2 If there is a scale back, Pharmaxis may allocate to you fewer SPP Shares than the parcel of SPP Shares for which you have applied. If a scale back results in a fractional number of

³ The relevant five days are Monday, 8 November 2021 to Friday, 12 November 2021.

SPP Shares, the number of SPP Shares you will be allocated will be rounded up to the nearest whole number of SPP shares.

- 7.3 Additionally, if there is a scale back, your excess application money will be refunded to you in accordance with clause 3.7.
- 7.4 Pharmaxis expects to announce the final outcome of the SPP, including any scale back, on Monday, 20 December 2021.

8. Acknowledgements and warranties

8.1 By making a payment via BPAY® or EFT (EFT available to New Zealand Eligible Shareholders only), you:

- (a) are deemed to have accepted the Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the online Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your Application are true and complete and not misleading;
- (c) warrant that as at the Record Date, you were an Eligible Shareholder;
- (d) agree that your Application will be irrevocable and unconditional, and cannot be withdrawn or varied by you;
- (e) agree to pay the Issue Price per SPP Share issued to you (up to the maximum of your BPAY® or EFT (EFT available to New Zealand Eligible Shareholders only payment));
- (f) acknowledge that no interest will be paid on any application money held pending the issue of SPP Shares or subsequently refunded to you for any reason;
- (g) if your refund amount is less than \$2, it may be donated to a charity or charities nominated by Pharmaxis;
- (h) acknowledge that Pharmaxis and its officers and agents are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (i) confirm that you are lawfully permitted to apply for SPP Shares under the SPP;
- (j) confirm, for all SPP Shares applied for by you under the SPP, that you do not make the Application for any other person in circumstances which might involve any breach of securities laws of any jurisdiction other than Australia;
- (k) acknowledge and agree that:
 - (i) you, and each person for whose account or benefit you are acting, are not in the United States and you are not subscribing for, or purchasing, the SPP Shares in an 'offshore transaction' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act;
 - (ii) the SPP Shares have not been, and will not be, registered under the Securities Act or the securities law of any state or other jurisdiction outside Australia or New Zealand and accordingly, the SPP Shares may not be offered, sold or otherwise transferred except in a transaction

exempt from, the registration requirements of the Securities Act and any other applicable securities laws;

- (iii) you have not, and will not, send this Offer Booklet or any materials relating to the SPP to any person in the United States;
 - (iv) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in the regular way where neither you nor the person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
 - (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is a resident of Australia or New Zealand, and is not in the United States nor acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet or any materials relating to the SPP to any person in the United States;
- (l) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
- (i) you are lawfully permitted to apply for SPP Shares;
 - (ii) you are not applying for SPP Shares with an application price of more than \$30,000 under the SPP (including by instructing a Custodian to acquire SPP Shares on your behalf under the SPP);
 - (iii) the total of the application price for the following does not exceed \$30,000 for:
 - (A) the SPP Shares the subject of the Application;
 - (B) any other Shares you have applied for or have been issued to you under the SPP or any similar arrangement in the 12 months before the Application;
 - (C) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the Application as a result of an instruction given by you to the Custodian or another Custodian to apply for Shares on your behalf, and which resulted in you holding beneficial interests in those Shares;
- (m) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (i) you are a Custodian (as that term is defined in the ASIC Instrument);
 - (ii) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP and that the Eligible Beneficiary has been given a copy of this Offer Booklet;
 - (iii) you are not applying for SPP Shares on behalf of any Eligible Beneficiary with an application price of more than \$30,000 under the SPP in accordance with the ASIC Instrument; and

- (iv) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (n) accept the risk associated with any refund that may be despatched to you by direct credit or cheque to using the details held by the Registry;
- (o) agree to be bound by the constitution of Pharmaxis (as in force from time to time);
- (p) acknowledge that none of Pharmaxis, its officers, employees, advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (q) authorise Pharmaxis and its offers and agents to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these terms and conditions;
- (r) without limiting clause 8.1(q), authorise Pharmaxis and its officers and agents to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail. However, Pharmaxis has no obligation to correct or amend defective Application Forms; and
- (s) acknowledge that Pharmaxis may at any time determine that your Application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective.

9. Cost to participants

- 9.1 Subject to rule 9.2, no brokerage, commission or other transaction costs will be payable by an Eligible Shareholder in respect of SPP Shares issued to it under the SPP. Eligible Shareholders are responsible for their bank fees and expenses that may be incurred in payment of the application amount for SPP Shares.
- 9.2 In the event of a change in legislation so that at the date of any issue or allotment of SPP Shares under the SPP, stamp duty or any other tax or duty is payable on those SPP Shares, the amount of that stamp duty or other tax or duty must be:
 - (a) paid by the Eligible Shareholder to whom the SPP Shares are issued; and
 - (b) in respect of each of those SPP Shares, included in the calculation of the Issue Price.
- 9.3 Eligible Shareholders should consult with their own taxation adviser about the tax status of their investment in the SPP Shares.

10. Board's powers

- 10.1 The SPP will be administered by the Board which has the power to:
 - (a) decide appropriate procedures for the administration and implementation of the SPP, consistent with these terms and conditions, and to settle any difficulty which may arise generally or in a particular case, in regard to the SPP, as the Board thinks appropriate and its decision is final and binding on all Shareholders and other persons to whom the decision relates;
 - (b) resolve conclusively all questions of fact or interpretation in connection with the SPP; and

- (c) delegate to any one or more persons for a period and on the conditions it decides, its powers or discretions under the SPP.
- 10.2 Pharmaxis and its officers and employees will not be held responsible or liable for any error or omission which occurs in the administration of the SPP.
- 10.3 The Board may vary administrative procedures to be followed in the implementation of the SPP. The procedures may be varied at any time by the Board having regard to ASX or ASIC requirements.
- 10.4 The Board may, at any time and at its absolute discretion:
 - (a) modify, vary or amend the SPP and these terms and conditions;
 - (b) waive strict compliance with any provision of these terms and conditions;
 - (c) vary the timetable for the SPP, including the Closing Date;
 - (d) suspend the operation of the SPP from time to time for any period;
 - (e) terminate the SPP at any time without any need for giving advance notice to Shareholders; and
 - (f) not accept an Application and not issue SPP Shares, or issue SPP Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of its Eligible Beneficiaries).
- 10.5 If the SPP is withdrawn or terminated, all application money will be refunded. No interest will be paid on any money returned to you. Amounts will be refunded by direct credit to your nominated bank account (as shown on the Register) or by cheque mailed to your address (as shown on the Register).
- 10.6 The powers of Pharmaxis under these terms and conditions may be exercised by the Board or its delegate.
- 11. Taxation**
- 11.1 None of Pharmaxis, its officers, employees, advisers or agents makes any representations or warranties about, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax in respect of any issue of SPP Shares, payment or other transaction under the SPP.
- 12. Dispute resolution**
- 12.1 Pharmaxis may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant under the SPP or Application, and the decision of Pharmaxis will be conclusive and binding on all participants and other persons to whom the determination relates.
- 13. Privacy policy**
- 13.1 The Corporations Act requires information about you as securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 13.2 The Company and the Registry may collect personal information to process your Application, implement the SPP and administer your Shareholding. The personal information

contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

- 13.3 Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of Pharmaxis and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 13.4 Pharmaxis' privacy policy is available at:
<https://www.pharmaxis.com.au/assets/Documents/pdf/02019/Governance/Pharmaxis-Privacy-Policy-August-2019.pdf>
- 13.5 The Registry's privacy policy is available on its website: <https://www.computershare.com/au>

14. Governing law

- 14.1 These terms and conditions are governed by the law in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the Offer, will be determined by the courts of New South Wales. By accepting the Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales.
- 14.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

Glossary

The following definitions apply throughout this Offer Booklet unless the context requires otherwise.

Application means an application for SPP Shares under the SPP.

Application Form means your personalised application form.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument means ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

ASX means ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the case requires).

Beneficiary means: (i) one or more persons on whose behalf a Custodian holds Shares; and/or (ii) a Downstream Custodian.

Board or **Pharmaxis Board** means the board of directors of Pharmaxis as constituted from time to time.

Closing Date means the last day on which Applications will be accepted, being 5:00pm (Sydney, Australia time) on Wednesday, 15 December 2021 (or such other date as Pharmaxis determines, in its absolute discretion).

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian means a custodian, trustee or nominee, within the definition of "custodian" in the ASIC Instrument.

Custodian Certificate means a certificate complying with section 8 of the ASIC Instrument, in the form required by Pharmaxis.

Dollar or **\$** is a reference to the lawful currency of Australia.

Downstream Custodian means another Custodian on whose behalf a Custodian holds Shares, who holds the beneficial interests in Shares on behalf of one or more persons.

Eligible Beneficiary means a Beneficiary of a Custodian with a registered address in either Australia or New Zealand as at the Record Date, provided that such Beneficiary is in Australia or New Zealand, and not in the United States or acting for the account or benefit of a person in the United States.

Eligible Shareholder means a Shareholder who is a registered holder of Shares on the Record Date with a registered address in either Australia or New Zealand that are not in the United States and are not acting for the account or benefit of person in the United States (or, in the event that such holder does act for the account or benefit of a person in the United States, it is not participating in the SPP in respect of that person).

Issue Date means the date on which the SPP Shares are issued, being Tuesday, 21 December 2021 (or such other date as Pharmaxis determines, in its absolute discretion).

Issue Price means \$0.105 per SPP Share.

Listing Rules means the listing rules of the ASX and any other rules of ASX which are applicable to Pharmaxis, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Offer means the offer in clause 1.1 of the terms and conditions of the SPP.

Offer Booklet means this booklet.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Opening Date means the first day on which Applications will be accepted, being Thursday, 25 November 2021.

Pharmaxis or Company means Pharmaxis Ltd (ABN 75 082 811 630).

Placement means the placement of fully paid ordinary shares by Pharmaxis to institutional and sophisticated investors, raising approximately \$7.2 million, the completion of which was announced on Wednesday, 17 November 2021.

Record Date means 7:00pm (Sydney, Australia time) on Tuesday, 16 November 2021.

Register means the register of Shareholders.

Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Securities Act means the US Securities Act of 1933 (as amended).

Share or Pharmaxis Share means a fully paid ordinary share in Pharmaxis.

Shareholder means a register holder of Shares.

SPP means the Offer made to Eligible Shareholders under this Offer Booklet.

SPP Shares means fully paid ordinary shares in Pharmaxis issued under the SPP.

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PXS
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Dear Shareholder,

On behalf of the Pharmaxis Ltd (**Pharmaxis**), I am pleased to invite you to participate in Pharmaxis' Share Purchase Plan (**SPP**). The SPP gives Eligible Shareholders with a registered address in Australia or New Zealand the opportunity to acquire up to \$30,000 of new fully paid ordinary shares in Pharmaxis (**SPP Shares**), at an issue price of \$0.105 per SPP Share without incurring brokerage or transaction costs.

On Wednesday, 17 November 2021, Pharmaxis announced that it had raised approximately \$7.2 million by way of a placement of new fully paid ordinary shares to institutional and sophisticated investors (**Placement**). Pharmaxis also announced that it intended to raise approximately \$2.0 million by way of an offer to Eligible Shareholders under an SPP. Further details of the SPP can be found in the Offer Booklet filed with ASX on Thursday, 25 November 2021, which is available at www.asx.com.au and <https://www.pharmaxis.com.au/investor-centre/asx-announcements/>. Capitalised terms not otherwise defined in this letter have the same meaning as defined in the Offer Booklet.

The SPP is not underwritten. Depending on the level of demand, Pharmaxis may, at its absolute discretion, determine to raise a higher amount or decide to scale back Applications under the SPP.

The decision to raise capital through the Placement and the SPP is to fund trials and for working capital.

I encourage Eligible Shareholders to participate in the SPP and take advantage of the opportunity to acquire additional shares in Pharmaxis.

Key features of the SPP

- **Price** – Shares are offered under the SPP at an Issue Price of \$0.105 per SPP Share, which represents:
 - a 12.4% discount to the volume weighted average price (VWAP) of \$0.1198 on Friday, 12 November 2021; and
 - a 12.0% discount to the VWAP of Pharmaxis Shares traded on the ASX over the last five days on which sales in Pharmaxis Shares were recorded before Wednesday, 17 November 2021¹ (being the date on which the SPP was announced).
- **Eligible Shareholders** – Participation in the SPP is optional and is open to Eligible Shareholders, including Eligible Shareholders who are Custodians on behalf of Eligible Beneficiaries. Your right to participate in the SPP is not transferable.

¹ The relevant five days are Monday, 8 November 2021 to Friday, 12 November 2021.

- **Offer Period** – The SPP opens on Thursday, 25 November 2021, and is expected to close at 5:00pm (Sydney, Australia time) on Wednesday, 15 December 2021.
- **Ranking of SPP Shares** – All SPP Shares issued under the SPP will rank equally with existing Pharmaxis Shares after commencement of trading.

The terms and conditions of the SPP are set out the Offer Booklet. I encourage you to read the Offer Booklet carefully and in its entirety. You should also consult with your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the SPP.

How to apply

- To apply for SPP Shares, you must make your Application online at <https://pxsSPPoffer.thereachagency.com> and follow the instructions to complete the online Application Form and receive your unique payment reference details.
- Eligible Shareholders who wish to apply for SPP Shares must pay the Issue Price for the SPP Shares they wish to apply for via BPAY® in accordance with the instructions on the Application Form, **so that it is received prior 5.00pm (Sydney time) on the Closing Date of Error!** Reference source not found..
- If you are a New Zealand shareholder and you are unable to pay via BPAY®, you may pay via EFT in accordance with the instructions on the Application Form.

You are not required to return your Application Form. Payments by cheque will not be accepted.

Applications for SPP Shares can only be made in \$1,000 increments and must be for a minimum of \$1,000 and a maximum of \$30,000.

If you have any questions in relation to how to participate in the SPP, please contact the Pharmaxis by email at david.mcgarvey@pharmaxis.com.au.

On behalf of the Board, I thank you for your continued support and encourage you to consider participating in the SPP.

Yours sincerely

Malcolm McComas
Independent Chairman

For all enquiries:

 Email:
david.mcgarvey@pharmaxis.com.au

X 9999999991 I ND

Entitlement No: 12345678



CLOSING DATE:

**Your payment must be received
by 5:00pm (Sydney, Australia
time) Wednesday, 15 December
2021**



PXS
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Share Purchase Plan Application Form

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details above. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Pharmaxis Ltd and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Pharmaxis Ltd shares on the terms of the Share Purchase Plan (SPP). You are not required to return your Application Form.

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the SPP Shares the subject of this Application Form; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$30,000.

Pharmaxis Ltd may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Pharmaxis Ltd will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Pharmaxis Ltd reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Pharmaxis Ltd does not notify you of that event.

Details of your shareholding are shown above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Pharmaxis Ltd accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by the closing date. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

Make Your Payment:

Note that shares may be purchased in increments of \$1,000 subject to purchase of the minimum value of \$1,000 and not exceeding the maximum value of \$30,000. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.



Billers Code: 99999
Ref No: 1234 5678 9123 4567 89

Offer Details:

Minimum value available to purchase: **\$1,000**
Maximum value available to purchase: **\$30,000**

Record Date:

**7:00pm on Tuesday, 16
November 2021**