



Investor Presentation (May 2017)

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Corporate Structure



Corporate Overview

- **PharmAust: Clinical-stage oncology** company
- Lead product is **Monepantel** (MPL) – a repurposed drug already approved for Veterinary use
- PharmAust **patented MPL** as a **novel anticancer drug**
- **Unique clinical strategy** targeting **MPL** for both **human and vet** applications
- **Option Agreement** with **Novartis Animal Health** for veterinary cancer applications
- **Epichem**: profitable business, forecast revenues of \$3m in 2017 FY

Corporate Snapshot

| | |
|------------------------------|---------|
| ASX Code: | PAA |
| Market Cap | \$11M |
| Cash ¹ | \$3.54M |
| Debt ² | \$0.5 |
| Epichem Revenue ³ | \$3.0M |

| | |
|-----------------------|-------------|
| Total Shares on Issue | 146,694,903 |
| Options (Unlisted) | 18,738,852 |
| Top 20 Own | 35% |
| Board/Exec Own | 13% |

Cash flow positive quarter: \$476K.



1. As of 31 March, 2017
2. EFIC loan to Epichem: Mar 31, 2017
3. Forecast for 2016/17 FY

Experienced Board & Management Team

Dr. Roger Aston, Executive Chairman

- >20 years experience in the pharmaceutical and healthcare industries.
- Director or chairman on a number of boards carrying out late stage drug development
- Largest Shareholder

Dr. Wayne Best, Director

- 30 years experience in synthetic and medicinal chemistry in academia and industry.
- MD of PharmAust's subsidiary Epichem.

Robert Bishop, Executive Director

- >30 years experience in corporate finance and equity capital markets
- Lawyer and an investment banker
- Second largest shareholder

Sam Wright, Director & Company Secretary

- 20 years experience in biotech and healthcare.
- Extensive experience in listed companies, corporate governance and corporate finance.

Dr Richard Hopkins, CEO

- >15 yrs biotech experience in Drug Discovery and Development
- Executive experience in ASX companies

Dr Richard Mollard, CSO

- >15 yrs biotech experience in senior scientific roles
- Broad range of biotech expertise in executive & consulting roles inc. regulation and development

Monepantel Oncology Programme: Progressing towards key clinical catalysts

Recent clinical outcomes promote commercial opportunities

Phase II pilot lymphoma trial in dogs
MPL used as front-line therapy



Preliminary Results: $\frac{3}{4}$ (75%) treated dogs
showed stable disease and tumour reduction

- 1st report of MPL clinical tumour inhibition
- 1st report mTOR drug inhibiting Lymphoma in dogs

Pharma Option agreement



Elanco

Why MPL for Cancer

MPL Approved for Animal Health



In vitro: MPL kills wide range of cancer cell lines

In vivo: MPL monotherapy inhibits tumours in mice xenografts (pancreatic, ovarian, colorectal)

In vivo: MPL combined with front-line drugs improves potency in mouse xenografts (ovarian)

Comprehensive Preclinical Data-pack (potent and safe)



Toxicology: 4 species (mice, rats, sheep, dogs)

Pharmacology: (mice, sheep, dogs)

Phase I/II clinical data in dogs showing safety, suppression of cancer biomarkers and efficacy



Phase I clinical data in humans showing safety, suppression of cancer biomarkers



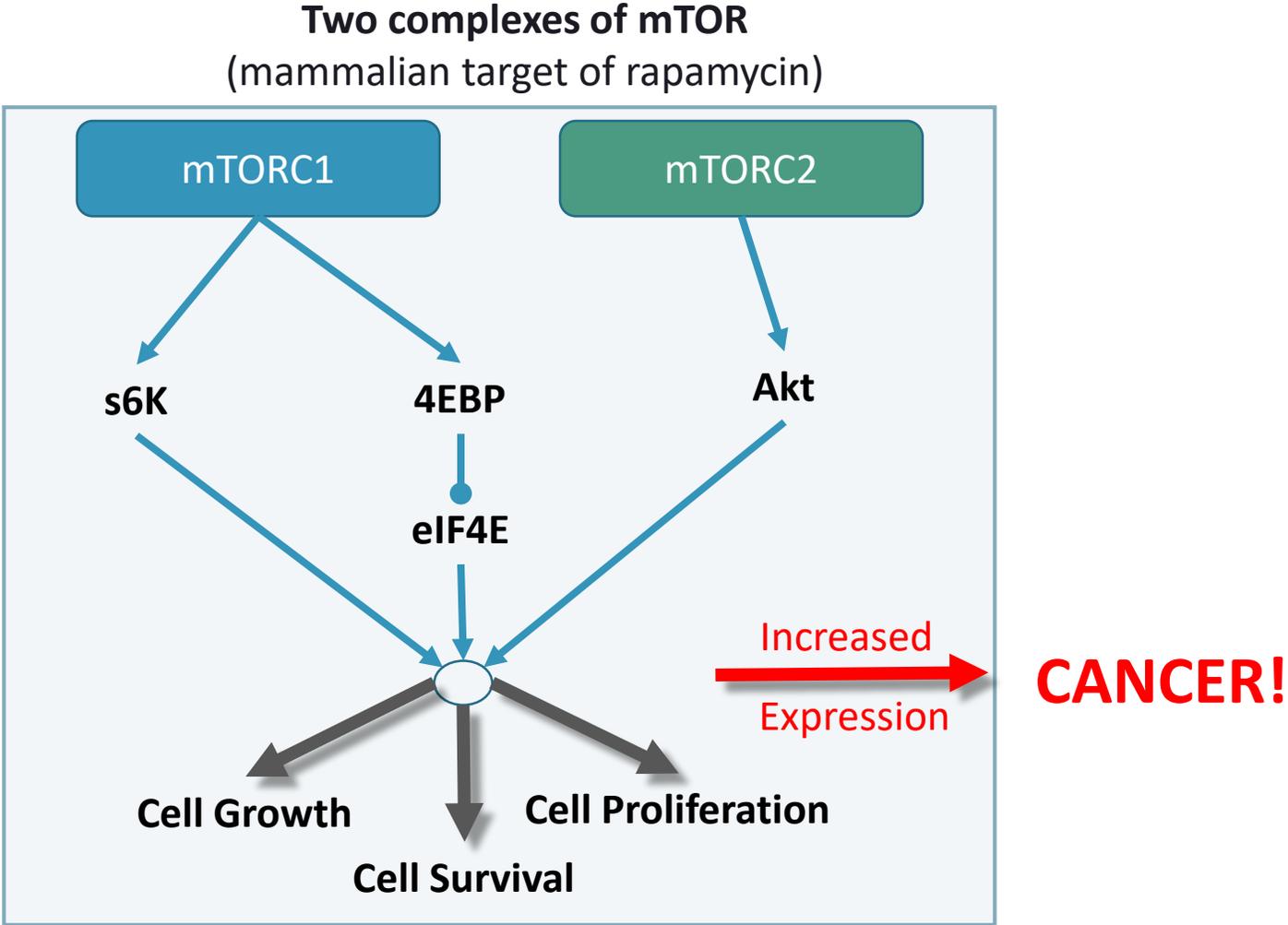
MPL Achieved Key Preclinical and Phase I Clinical Endpoints

- 1. Safety:** Excellent safety profile in dogs & man as predicted by pre-clinical models
- 2. Efficacy:** Observed reduction of key cancer biomarkers (p70s6K and p4E-BP-1) and reduction in tumours
- 3. Active dose:** Identified active dose of MPL in man using biomarkers
- 4. Synergy:** Demonstrated synergy in preclinical mouse model with current standard of care cytotoxic drugs

PharmAust's strong MPL patent position

- > 47 patents and patent applications
- 5 patent families
- **Granted patents** in US, Aus, China, NZ and Europe
- Broad 'method of use' for MPL across **cancer** and **non-cancer** applications
- Joint portfolio of **MPL analogues** (composition of matter) with Nihon Nohyaku

MPL targets the mTOR pathway: common to many cancers



Saxton, R. A., & Sabatini, D. M. (2017). mTOR Signaling in Growth, Metabolism, and Disease. *Cell*, 168(6), 960–976.

>\$2 Billion market for approved mTOR Drugs

| Drug | Approved Indications | Company | 2016 Sales (US\$m) ¹ |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------|
| Sirolimus | Transplantation | Pfizer | 170 |
| Rapalogues (Affintor/Torisel) | Transplantation Renal Cell Carcinoma Breast Cancer Pancreatic Neuroendocrine Tumours Mantle Cell Lymphoma | Novartis/Pfizer | >2,000 |

1. Global Data

Strategy to develop MPL as a Cancer Therapeutic for:

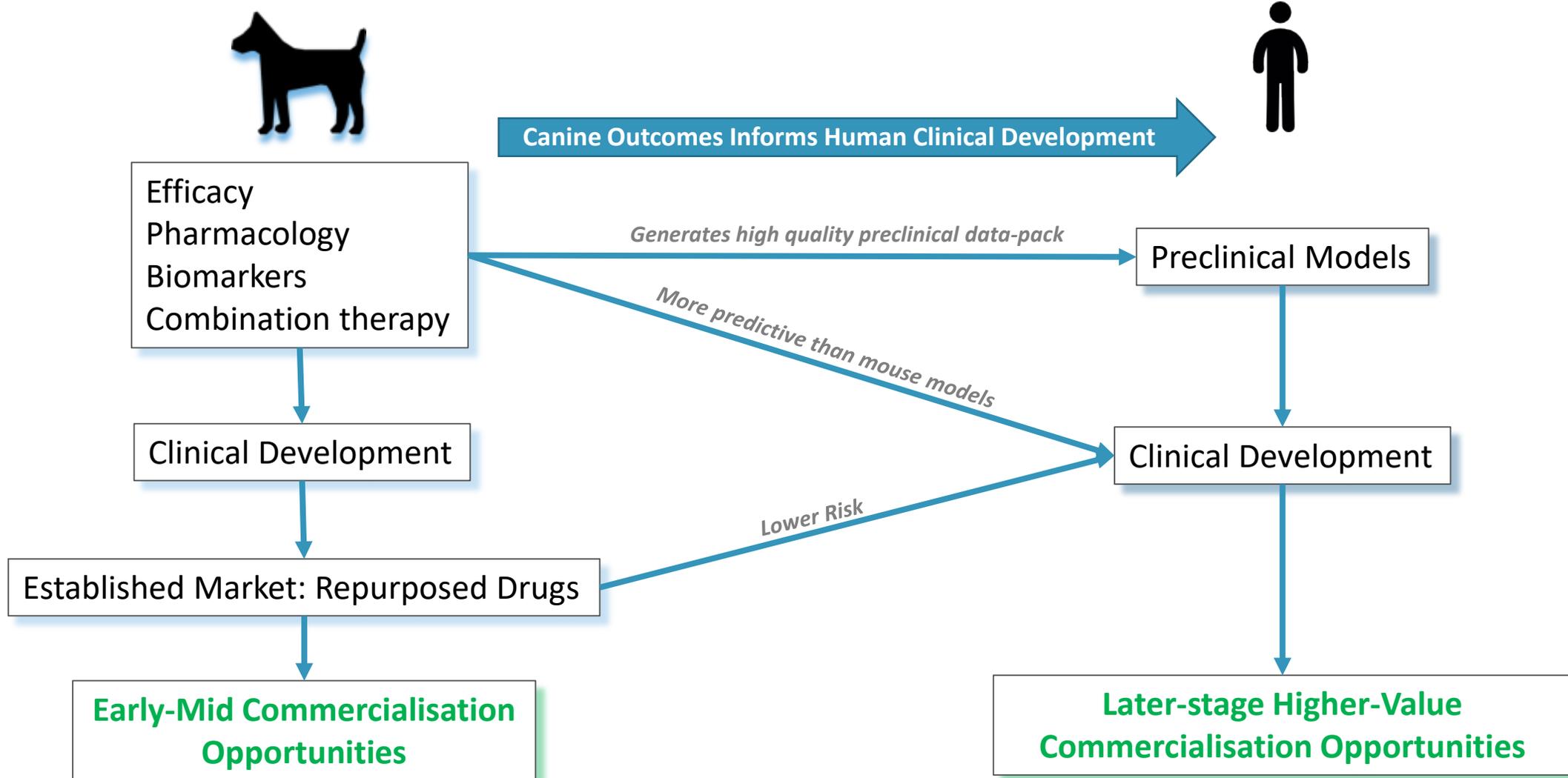
- **Veterinary Health**
- **Humans**

Rationale for dual clinical development strategy

Vet Oncology Development

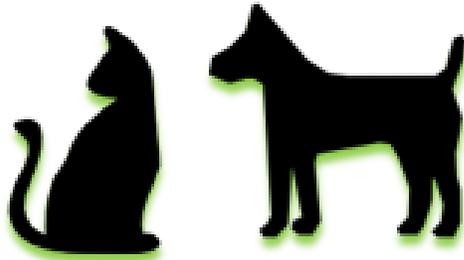


Human Oncology Development



Trends in Companion Animal Health Market (US:2016)

US Dog/Cat Populations (2016)¹



94m

90m



Total Pet Expenditure: \$70b¹



Vet Care Expenditure \$17b¹



**Pet drug market \$10.2b by 2018²
(8% CAGR)**



**Willingness to pay more for treatment³
(\$2K-\$5K/treatment)**

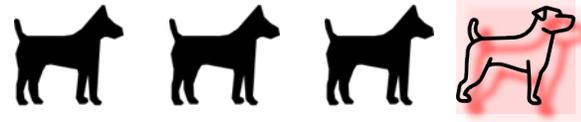
1. http://www.americanpetproducts.org/press_industrytrends.asp

2. Competition in the Pet Medications Industry (2015)

3. AP-Petside.com Poll, conducted by GfK Roper Public Affairs and Media: April 7-12, 2010

Pets and Cancer

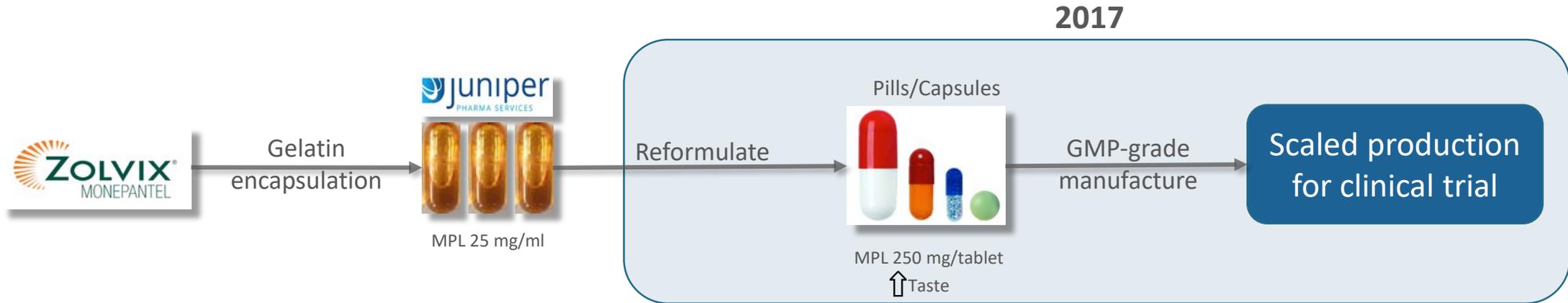
- 1 in 4 dogs die of cancer



- Pets are living longer (50% dogs >10yrs die of cancer)
- 6 million dogs diagnosed with cancer in US/yr
- Significant **unmet need** for **new** oncology drugs (\$500m/\$1b market)
- Vet **therapeutic market** dominated by **repurposed drugs** already approved for use in humans and/or animals (eg. **MPL**)

Next Steps and Roadmap

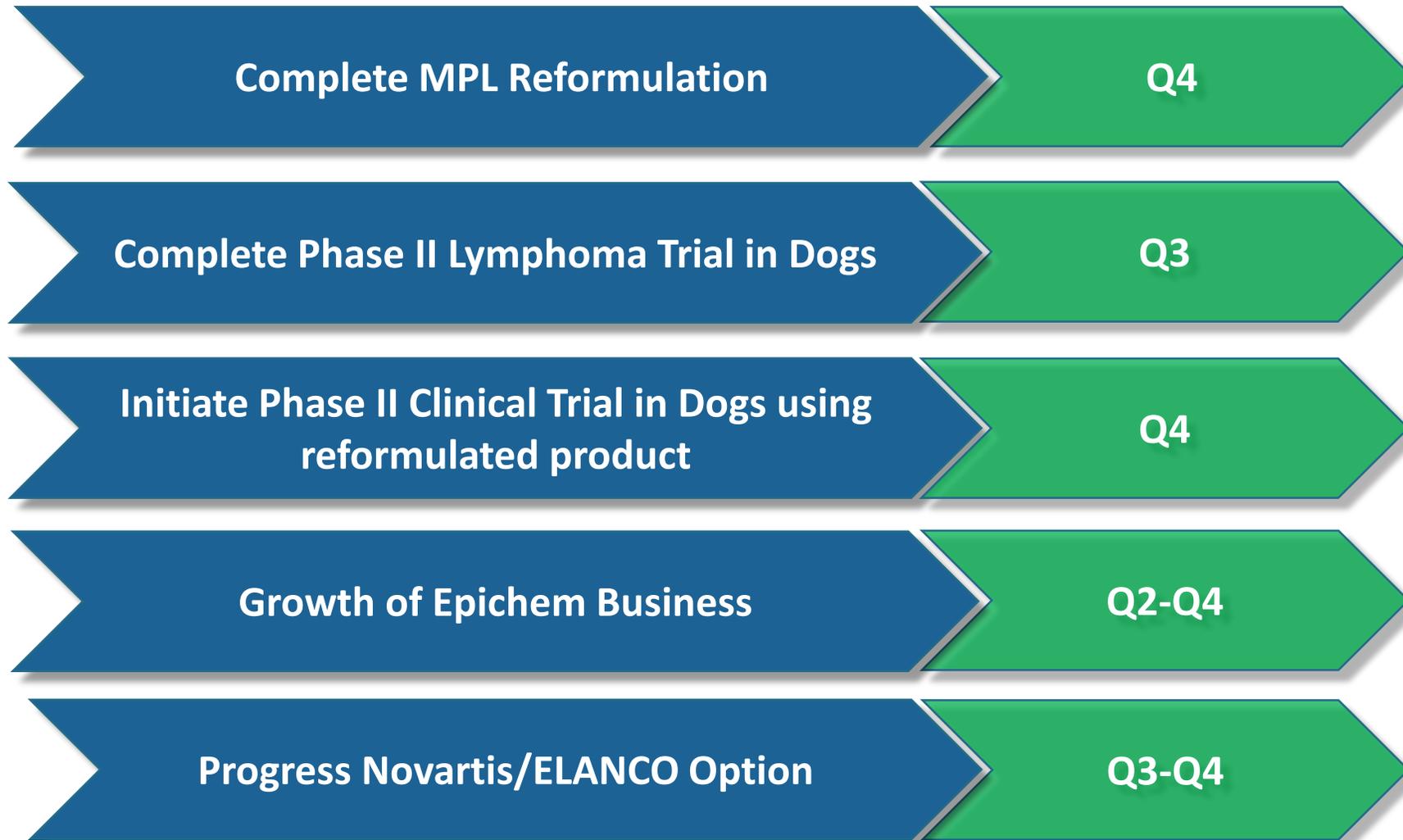
Reformulation to resolve MPL palatability



Reformulation achieves 3 strategic outcomes:

- Overcome foul taste of Zolvix which has resulted in significant compliance issues.
- Increase dose of MPL/capsule up to 10-fold (ie. 250 mg/capsule)
- Establish optimal formulation/manufacture protocols for all clinical development phases. Required to maximise commercial value.

Key Drivers for 2017





About Epichem

- Specialist Synthetic & Medicinal Chemistry Services
- Highly awarded West. Aust. Company (Founded 2003)
- Staff of 23 (15 PhD's)



Revenues

Drug Discovery & Technical Services

- Fee for Service Consultancy
- Custom Synthesis
- Hit to Lead Validation/Optimisation
- Co-developed > 3 drugs in clinical trial

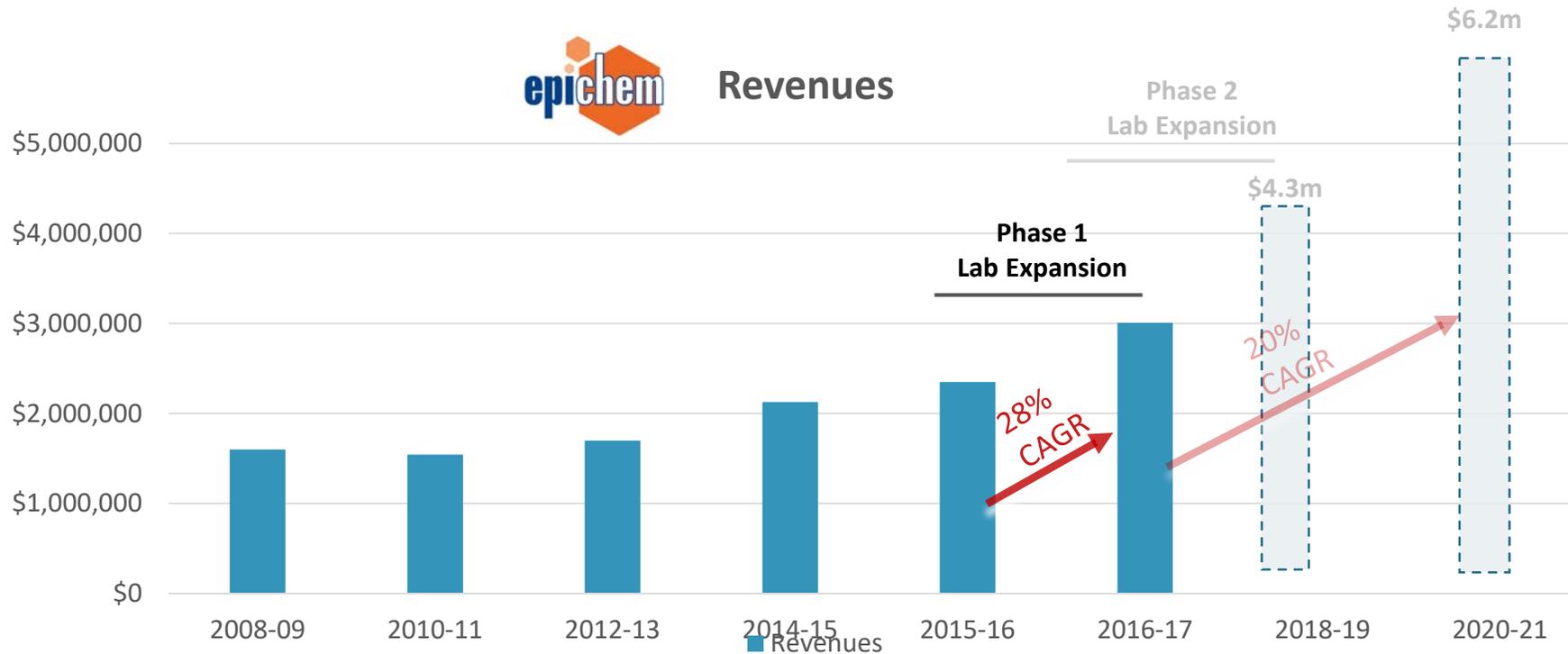
Fine Chemicals Catalogue

- High margin supply of reference standards
- ISO 9001:2015 Certification

Proprietary Drug Discovery Platform

- Engine to replenish development pipeline

Epichem Revenues



Record \$3m revenues forecast for 2016/17 FY

Key Drivers for Epichem Growth

- Planned **Phase 2 Lab Expansion** increases capacity to meet demand
- Pursuing **ISO17025** accreditation – highest ‘calibration and testing’ std. in the world
- Facilitates expansion of **high margin catalogue** business
- **Low** Australian Dollar maintains **global competitiveness**
- Exploring Drug Discovery platform opportunities....**‘Blue Sky’**

PharmAust's Value Proposition

- \$11m Market Cap = Enterprise Value (revenue + cash + phase II ready asset)
- **Dual** development strategy (dogs/humans) – access to **multiple** value accretion catalysts
- Novartis Animal Health/**ELANCO Option** - strategic access to vet health market with global heavyweight.
- **Granted** patents for **cancer** and **non-cancer** – creates license opportunities in multiple markets
- **Epichem**: profitable business, forecast sales of \$3m in 2017 (>20% CAGR)



Epichem



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