
PHARMAXIS ANNOUNCES A\$24M PLACEMENT

Highlights:

- A\$24.0m being raised in a two tranche placement to global sector specialist and institutional investors
- A\$54m pro-forma cash balance post raising. Strengthened balance sheet to assist with LOXL2 partnering negotiations expected in 2H18
- Issue price of A\$0.325 represents a 3.1% premium to last closing price
- Arix Bioscience plc invests A\$14.2m for a 11% holding in the Company
- Existing shareholder BVF Partners LP invests A\$7.1m to increase its holding to 22.9%
- Arix Investment Director Edward Rayner to be nominated to join the Pharmaxis Board

Pharmaceutical research company Pharmaxis (ASX: **PXS** or **Company**) today announces that it has received commitments from sophisticated and institutional investors to subscribe for 73.4m fully paid ordinary shares at A\$0.325 per share to raise approximately A\$24.0m via a two tranche placement (**Placement**).

Tranche 1 will consist of approximately 38.3m shares (A\$12.5m) to be issued within the Company's 15% Placement capacity under ASX Listing Rule 7.1. Tranche 2 will consist of approximately 35.5m shares (A\$11.5m) subject to shareholder approval at an Extraordinary General Meeting expected to be held on or around 17 September 2018.

The funds raised will be used to strengthen the Pharmaxis balance sheet as the Company conducts partnering negotiations for its clinical development program into Lysyl Oxidase 2 Inhibitors (LOXL2) expected to occur in 2H18. The company will have a A\$54m pro-forma cash balance (30 June 2018 post raising). In addition, the funds will be used to further invest in pre-clinical programs, general working capital and costs of the offer.

The Placement received strong support from specialist global healthcare investors. UK based Arix Bioscience plc has committed to invest A\$14.2m and will emerge with a 11.1% shareholding post approval. Arix is a global healthcare and life science company based in the United Kingdom and is listed on the main market of the London Stock Exchange. In conjunction with the investment by Arix, the Pharmaxis Board has approved the nomination of Mr Edward Rayner to join the Pharmaxis Board at the EGM to approve the second tranche.

Existing shareholder BVF Partners LP has also committed to invest a further A\$7.1m to increase its shareholding in Pharmaxis to 22.9%, the maximum allowable under ASIC creep provisions.

Gary Phillips, Chief Executive Officer commented, "We are delighted with the strong support for the capital raising from Arix and BVF as we head into LOXL2 partnering negotiations. This will put the Company in a strong position to negotiate the best partnering outcome and continue investing in its preclinical pipeline. Pharmaxis will also be strengthened by the global reach of Arix and the addition to the Board, subject to shareholder approval, of Ed Rayner - Ed has 18 years of experience as an equity analyst and Portfolio Manager in Europe and Australia."

Joe Anderson, Chief Executive Officer of Arix Bioscience, commented: "We are very pleased to have led Pharmaxis' successful financing, as they continue to build their position as a world leader in developing

mechanism-based inhibitors of amine oxidases for patients suffering from fibrotic and inflammatory diseases. We look forward to supporting Pharmaxis’s ambitious and internationally-experienced management team in developing these potentially first-in-class treatments for patients.”

WG Partners LP acted as Lead Adviser to the Company. Bell Potter Securities Limited and WG Partners LP acted as Joint Lead Managers and Joint Bookrunners to the Placement.

INDICATIVE TIMETABLE*	
Placement announced and Company resumes trading	Monday 6 August 2018
Notice of shareholder meeting dispatched	Friday 17 August 2018
Settlement of Placement Shares under Tranche 1	Monday 13 August 2018
Allotment of Placement Shares under Tranche 1	Tuesday 14 August 2018
Shareholder meeting for approval of issue of Placement under Tranche 2	Monday 17 September 2018
Settlement of Placement Shares under Tranche 2	Thursday 20 September 2018
Allotment of Placement Shares under Tranche 2	Friday 21 September 2018

*The Company and the Joint Lead Managers reserve the right to vary these dates

Shares issued under the Placement will be issued on the same terms and will rank equally with existing shares. The company will be seeking approval for the issue of shares under Tranche 2, but will also be seeking approval for participation from board members Malcolm McComas, Will Delaat, Dr Simon Buckingham, Dr Kathleen Metters and Gary Phillips. Details of their participation will be included in the notice of meeting.

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SOURCE: Pharmaxis Ltd, Sydney, Australia

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About Pharmaxis

Pharmaxis (ACN 082 811 630) is an Australian pharmaceutical research company focused on inflammation and fibrosis with a portfolio of products at various stages of development and approval. Its product Bronchitol® for cystic fibrosis is marketed in Europe, Russia and Australia. 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 a series of Lysyl Oxidase Inhibitors under clinical development targeting fibrotic diseases of the heart, kidney, liver and lung. In May 2015, Boehringer Ingelheim acquired the Pharmaxis investigational drug PXS-4728A, a potent inhibitor of Semicarbazide-Sensitive Amine Oxidase (SSAO), to develop it for the treatment of the liver-related condition Non-alcoholic Steatohepatitis (NASH) and other inflammatory diseases. 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

About Arix Bioscience plc

Arix Bioscience plc is a global healthcare and life science company supporting medical innovation. Headquartered in London and with an office in New York, Arix Bioscience sources, finances and builds world class healthcare and life science businesses addressing medical innovation at all stages of development. Operations are supported by privileged access to breakthrough academic science and strategic relationships with leading research accelerators and global pharmaceutical companies. Arix Bioscience plc is listed on the Main Market of the London Stock Exchange.

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.