



## Quarterly Cashflow Report

**Melbourne, Australia; 28 April 2016:** Starpharma Holdings Ltd (ASX: SPL, OTCQX: SPHRY) today released its Appendix 4C – Quarterly Cashflow Report for the period ended 31 March 2016.

The cash balance as at 31 March 2016 was \$51.1 million, compared with a cash balance of \$54.7 million at 31 December 2015. Starpharma's strong cash position supports the continued development and commercialisation of the VivaGel<sup>®</sup> portfolio, and DEP<sup>™</sup> drug delivery and agrochemical programs.

### Highlights for the quarter include:

- New licensing deal with Aspen Pharmacare Australia for the sales and marketing of VivaGel<sup>®</sup> BV in Australia and New Zealand;
- New licensing deal with Adama for the development and commercialisation of a Priostar<sup>®</sup> enhanced, proprietary 2,4-D herbicide;
- More than 75% of patients now recruited in both the Phase 3 VivaGel<sup>®</sup> prevention of recurrent BV and the Phase 1 DEP<sup>™</sup> docetaxel clinical trials;
- Further preclinical efficacy results for DEP<sup>™</sup> cabazitaxel show complete and sustained tumour regression in a human breast cancer model; and
- Final study results of Starpharma's HER2-targeted DEP<sup>™</sup> conjugate achieving complete tumour regression to 120 days in a preclinical ovarian cancer model.

The 31 March 2016 cash balance of \$51.1 million includes \$1.9 million of proceeds from the January share purchase plan, with the net operating cash outflows of \$4.5 million relating to all of Starpharma's clinical and preclinical programs, including both the Phase 3 clinical trials of VivaGel<sup>®</sup> for the prevention of recurrent BV and DEP<sup>™</sup> docetaxel Phase 1 clinical trials.

Commercial milestones during the quarter include two substantial new licensing deals for Starpharma. The first with Aspen Pharmacare Australia is for the Australia and New Zealand sales, marketing and supply of VivaGel<sup>®</sup> BV for the management of the prevalent vaginal infection, bacterial vaginosis (BV). Under the license, Aspen is responsible for all marketing, promotion and distribution of the product and Starpharma will receive royalties on net sales.

In addition, commercial negotiations are advancing well for broader territory rights, including Europe. With the EU approval in hand and other regulatory reviews in progress under mutual recognition programs, preparations for VivaGel<sup>®</sup> BV product launch are also being actively progressed.

A second new licensing agreement was signed with Adama, one of the world's leading crop protection companies, for the development and commercialisation of a Priostar<sup>®</sup> enhanced, proprietary 2,4-D herbicide initially for the US market. 2,4-D is one of the top three herbicides sold world-wide with global sales in 2014 estimated to be US\$680 million. Under the license, Starpharma will receive royalties on sales of proprietary Priostar<sup>®</sup> enhanced 2,4-D products. In addition to the US market, the agreement includes a mechanism to expand the license into additional territories.

“The achievements of the most recent quarter highlight the benefit of having strong partnered and internal development programs advancing in parallel with substantial commercial and development progress across all three core areas. As we enter a period where we expect to have our second product VivaGel<sup>®</sup> BV in market, our launch preparations and commercial negotiations with multiple parties continue to progress well” said Dr Jackie Fairley, Chief Executive Officer of Starpharma.

## ABOUT STARPHARMA

Starpharma Holdings Limited (ASX: SPL, OTCQX:SPHRY), located in Melbourne Australia, is an ASX 300 company and is a world leader in the development of dendrimer products for pharmaceutical, life science and other applications.

Starpharma's underlying technology is built around dendrimers – a type of synthetic nanoscale polymer that is highly regular in size and structure and well suited to pharmaceutical and medical uses. Starpharma has three core development programs: VivaGel<sup>®</sup> portfolio, DEP<sup>™</sup> drug delivery, and agrochemicals with the Company developing a number of products internally and others via commercial partnerships.

Starpharma's lead products are based on VivaGel<sup>®</sup> (SPL7013, astodimer sodium), a proprietary dendrimer which has antimicrobial properties. VivaGel<sup>®</sup> formulated as a water based gel and delivered vaginally now has EU regulatory approval for topical treatment and rapid relief of bacterial vaginosis (BV) and is under clinical development for the prevention of recurrent BV. Starpharma has also signed separate licence agreements with Ansell Limited (ASX:ANN) and Okamoto Industries. Inc., (TSE: JP3192800005) to market a value-added, VivaGel<sup>®</sup> condom. The VivaGel<sup>®</sup> condom is available for purchase in Australia under Ansell's Lifestyles<sup>®</sup> Dual Protect<sup>™</sup> brand. Ansell manufactures and sells leading condom brands worldwide, including LifeStyles<sup>®</sup>, ZERO<sup>®</sup> and SKYN<sup>®</sup>. Okamoto is the market leader for condoms sold in Japan, which is the world's second largest condom market.

In the wider pharmaceutical field, Starpharma has both partnered and internal programs in Drug Delivery. A number of dendrimer-enhanced, or DEP<sup>®</sup> versions of existing drugs are under development. The most advanced of these is DEP<sup>®</sup> docetaxel, a dendrimer-enhanced version of docetaxel (Taxotere<sup>®</sup>), which is in clinical development in patients with solid tumours. In preclinical studies DEP<sup>®</sup> docetaxel has shown significant tumour-targeting and superior anti-cancer effects across a range of important cancer types including breast, prostate, lung and ovarian tumour, when compared to Taxotere<sup>®</sup> (docetaxel). AstraZeneca has signed a licensing agreement with Starpharma for the use of its DEP<sup>®</sup> drug delivery platform in the development and commercialisation of an AstraZeneca oncology compound, with potential for follow on compounds directed at a defined family of targets.

In agrochemicals Starpharma has a series of partnerships with leading industry players including global leader Adama (formerly Makhteshim Agan) as well as internal programs including an enhanced version of glyphosate (the active ingredient in Roundup<sup>®</sup>).

For more information please visit: [www.starpharma.com](http://www.starpharma.com)

## FOR FURTHER INFORMATION

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## Forward Looking Statements

This document contains certain forward-looking statements, relating to Starpharma's business, which can be identified by the use of forward-looking terminology such as "promising", "plans", "anticipated", "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to", "potential", "seeking to", "goal", "could provide", "intends", "is being developed", "could be", "on track", or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected trial results, including additional analysis of existing data, and new data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Starpharma is providing this information as of the date of this document and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

Name of entity

**Starpharma Holdings Limited**

ABN

20 078 532 180

Quarter ended ("current quarter")

31 March 2016

**Consolidated statement of cash flows****Cash flows related to operating activities**

	Current Quarter \$A'000	Year to Date \$A'000
1.1 Receipts from customers and grants (including R&D Tax Incentive)	157	7,362
1.2 Payments for		
(a) staff costs	(1,340)	(4,562)
(b) advertising and marketing	-	-
(c) research and development	(3,587)	(15,380)
(d) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	251	431
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net operating cash flows</b>	<b>(4,519)</b>	<b>(12,151)</b>

**Cash flows related to investing activities**

1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(31)	(40)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	59	115
(c) intellectual property	-	-
(d) physical non-current assets	1	1
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
<b>Net investing cash flows</b>	<b>29</b>	<b>76</b>
1.14 <b>Total operating and investing cash flows</b>	<b>(4,490)</b>	<b>(12,075)</b>

**Cash flows related to financing activities**

1.15 Proceeds from issues of shares (net)	1,894	32,596
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - lease repayments	(8)	(24)
<b>Net financing cash flows</b>	<b>1,886</b>	<b>32,572</b>
<b>Net increase (decrease) in cash held</b>	<b>(2,604)</b>	<b>20,497</b>
1.21 Cash at beginning of quarter/year to date	54,688	30,848
1.22 Exchange rate adjustments	(978)	(239)
1.23 <b>Cash at end of quarter</b>	<b>51,106</b>	<b>51,106</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(206)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	

Item 1.24 consists of the following:

(a) Remuneration paid to the Chief Executive Officer.

(b) Director's fees paid to non-executive directors.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

**Financing facilities available**

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities - Finance facility for laboratory equipment	200	26
3.2	Credit standby arrangements - Credit card facility	150	48

Item 3.1 A \$200,000 master asset finance facility with National Australia Bank for laboratory equipment, guaranteed by term deposit.

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	3,909	6,043
4.2	Deposits at call	47,197	48,645
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>51,106</b>	<b>54,688</b>

## Acquisitions and disposals of business entities

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
-	-
-	-
-	-
-	-
-	-

## Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.



28 April 2016

N J Baade  
Company Secretary