



ASX ANNOUNCEMENT

Starpharma signs drug delivery license with AstraZeneca

- **AstraZeneca has signed a licensing agreement with Starpharma for the use of its DEP® drug delivery platform in the development and commercialisation of an AstraZeneca oncology compound on signature, and with potential for follow on compounds directed at a defined family of targets.**
- **Under the agreement Starpharma will receive a signature payment of US\$2 million (A\$2.9 million), and is also eligible to receive potential development, launch and sales milestones for the first AstraZeneca DEP® product of USD\$124 million (A\$177 million).**
- **Subsequent qualifying products successfully developed and commercialised to specified annual sales levels could yield up to USD\$93.3 million (A\$133 million) in milestone payments per product.**
- **In summary, signature and milestone payments could total USD\$126 million (A\$180 million) for the first AstraZeneca DEP® product and up to USD\$93.3 million (A\$133 million) for each subsequent qualifying product.**
- **Any AstraZeneca DEP® products would also attract tiered royalties on net sales.**
- **AstraZeneca will fund all development and commercialisation costs for AstraZeneca DEP® products under the agreement.**

Melbourne, Australia; 7 September 2015: Starpharma (ASX: SPL, OTCQX: SPHY) today announced the signing of a licensing agreement with global pharmaceutical company AstraZeneca. The agreement enables the development and commercialisation by AstraZeneca of compounds directed at a defined family of targets using Starpharma's DEP® drug delivery technology. The DEP® platform centres on use of Starpharma's proprietary dendrimers, with the aim of enhancing the dosing and efficacy characteristics of pharmaceuticals.

Under the agreement Starpharma is eligible to receive signature and milestone payments on one or more AstraZeneca DEP® products if they progress through the development pipeline, and milestone and royalty payments on any net sales of the resultant products. AstraZeneca will fund all development and commercialisation costs under the agreement, including ongoing and future collaborative work conducted with Starpharma.

Starpharma's other programs, including the company's wholly-owned DEP® docetaxel product, are not negatively impacted by this arrangement.

A signature payment of US\$2 million (A\$2.9 million) became payable on execution of the agreement. For the initial product, development and launch milestones could total up to US\$64 million (A\$91 million), and sales milestones based on specified annual sales levels could total up to US\$60 million (A\$86 million). The license agreement allows for additional products to be incorporated, with development and regulatory milestone payments of up to US\$53.3 million (A\$76 million), and potential sales milestones based on specified annual sales levels for qualifying additional products could total up to US\$40 million (A\$57 million). Any AstraZeneca DEP® products would also attract tiered royalties on net sales.

"Today's agreement with AstraZeneca is an exciting development for Starpharma and its DEP® platform. It follows a successful collaboration in which Starpharma's DEP® drug delivery technology has been applied to an important AstraZeneca oncology candidate," said Dr Jackie Fairley, Starpharma Chief Executive Officer.

"The agreement clearly illustrates both the commercial potential and platform nature of Starpharma's DEP® drug delivery technology. We estimate that each qualifying product successfully commercialised under this agreement could be worth over its life around US\$450 million (A\$643 million) to Starpharma and, depending on the range of indications and degree of commercial success in the market, potentially significantly more," Dr Fairley added.

"The fact that this deal is structured for multiple products underlines the real potential for additional upside for both companies. It is worth noting that Starpharma retains all rights outside of a well-defined and narrow area of application, meaning that its platform remains unencumbered and available for licensing in the vast majority of oncology and other applications for future deals with other partners."

Susan Galbraith, Head of the Oncology Innovative Medicines Unit at AstraZeneca, said: "We already have a long-standing and successful working relationship with Starpharma. This license agreement will enable us to further harness the DEP® technology and evaluate its potential across novel molecules within our oncology portfolio."

Cancer is a leading cause of death worldwide, accounting for 8.2 million deaths in 2012. The number of new cases is expected to rise by about 70% over the next two decades. The global market for cancer drugs has reached US\$100 billion in annual sales, and could reach US\$147 billion by 2018, according to a new report by the IMS Institute for Healthcare Informatics, a unit of drug data provider, IMS Health.

Starpharma's DEP® Drug Delivery Platform

Starpharma's DEP® technology is used to improve the performance of pharmaceuticals. Both pre-clinical and early clinical data have shown DEP® versions of drugs to be superior in a variety of ways to the unmodified drugs in currently marketed formulations. Pre-clinical studies of DEP® conjugates with a number of different cancer drugs have already established improved efficacy and reduced toxicities compared to marketed versions. Starpharma's lead internal development candidate, DEP® docetaxel, continues to demonstrate excellent tolerability and improved pharmacokinetics in the clinic compared with the available data for its reference drug, Taxotere®. Starpharma's licensing agreement with AstraZeneca focuses on novel compounds, and not on unmodified drugs in currently marketed formulations.

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® portfolio, DEP™ 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® (SPL7013, astodrimer sodium), a proprietary dendrimer which is a potent microbicidal agent. VivaGel® formulated as a water based gel and delivered vaginally is under clinical development for the management and prevention of bacterial vaginosis (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® condom. The VivaGel® condom is available for purchase in Australia under Ansell's Lifestyles® Dual Protect™ brand. Ansell manufactures and sells leading condom brands worldwide, including LifeStyles®, ZERO® and SKYN®. Okamoto is the market leader for condoms sold in Japan, which is the world's second largest condom market.

In the wider pharmaceutical and life science fields, Starpharma has both partnered and internal programs in Drug Delivery. A number of dendrimer-enhanced, or DEP® versions of existing drugs are under development. The most advanced of these is DEP® docetaxel, a dendrimer-enhanced version of docetaxel (Taxotere®), which is in clinical development. In preclinical studies DEP® 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® (docetaxel).

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®). For more information please visit: www.starpharma.com

ABOUT ASTRAZENECA

AstraZeneca (LON:AZN) is a global, innovation-driven biopharmaceutical business that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of cardiovascular, metabolic, respiratory, inflammation, autoimmune, oncology, infection and neuroscience diseases. AstraZeneca operates in over 100 countries and its innovative medicines are used by millions of patients worldwide. For more information please visit: www.astrazeneca.com

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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.