ASX Announcement

Quarterly Cashflow and Activities Report

Melbourne, Australia; 29 April 2022 Starpharma (ASX: SPL, OTCQX: SPHRY) today released its Appendix 4C – Quarterly Cashflow Report for the period ended 31 March 2022.

Starpharma's cash balance as at 31 March 2022 was $54.8 million, an increase of $3.6 million from 31 December 2021. Receipts for the quarter of $9.6 million, comprised of receipts from customers of $1.8 million, including sales of VIRALEZE™, and the $7.7 million R&D tax incentive refund. Net operating cash inflows were positive $3.0 million for the quarter. Operating cash outgoings compromised of clinical trial costs for Starpharma's clinical and preclinical DEP® programs, and inventory and product costs for the ongoing rollout of VIRALEZE™.

Key recent activities and events:

- VIRALEZE™ will relaunch in the UK following successful resolution of issues raised by the MHRA. Relaunch preparations with LloydsPharmacy are well advanced, including product manufacture and marketing materials, with VIRALEZE™ expected to be available to UK consumers this quarter.
- Starpharma announced new data for SPL7013, in VIRALEZE™ nasal spray, which achieved the maximal possible reduction of >99.5% of virus infectivity against the highly contagious Omicron variant of SARS-CoV-2.
- SPL7013, in VIRALEZE™ nasal spray, also significantly outperformed other antiviral agents used in marketed nasal sprays, including iota-carrageenan. SPL7013 was ~30 times more potent than iota-carrageenan against the Omicron variant, which is currently marketed in multiple nasal sprays, and 70 times more potent than heparin, which is being contemplated as a nasal spray.
- Dr Jeff Davies joins the Starpharma Board as an independent non-executive director. Dr Davis is a former CSL executive, with over 35 years of biopharmaceutical experience, holding senior executive roles at CSL, including Executive Vice President & General Manager at CSL for the Asia-Pacific Region, and Global Head of Plasma Product Research and Development at CSL-Behring, Switzerland.
- Starpharma signed an exclusive sales and distribution agreement for VIRALEZE™ in Saudi Arabia and eight other countries in the Middle East, including the GCC (Gulf Cooperation Council) countries, with Etqan & Nazahah. VIRALEZE™ launch preparations for Saudi Arabia, including product manufacture, are underway and registration activities in other countries in the Middle East are also now in progress.
- VIRALEZE™ regulatory activities continue in a number of other markets.
- In Australia, the review by the TGA for the nasal spray application is ongoing. The TGA has now confirmed that it is appropriate that the nasal spray product be reviewed in accordance with its classification as a medical device. This determination follows thorough review by the TGA of the extensive mechanistic data on the product and aligns the regulatory classification with the product's classification in more than 30 other countries.
- The global phase 1/2 trial for AstraZeneca's DEP® oncology agent, AZD0466, continues to recruit patients with advanced haematological malignancies at sites in the USA, South Korea, and Australia.
- In February, AstraZeneca advised of an expansion of their AZD0466 clinical program to include a new indication, non-Hodgkin's lymphoma, which is one of the top 10 most

commonly occurring cancers worldwide. This trial has now opened, with recruitment planned at sites in the USA, South Korea, Italy, and Spain.

- In addition, AstraZeneca recently informed Starpharma that plans are underway to expand the AZD0466 clinical program to include further cancer types. Starpharma welcomes these positive developments for AZD0466 and its expanded market potential.
- Starpharma continues to progress several partnered DEP® programs, including a DEP® ADCs program with Merck & Co Inc., a DEP® anti-infective program with Chase Sun and other DEP® programs, including the recently announced program with a major US biopharmaceutical company.
- The phase 2 clinical trial of DEP® cabazitaxel has recruited 61 patients to date, with encouraging efficacy signals observed in prostate, ovarian, and gastro-oesophageal cancer. Starpharma previously announced positive interim findings for the prostate cancer cohort of this trial, showing that 100% of patients assessed for efficacy following treatment with DEP® cabazitaxel experienced one or more encouraging efficacy signals. As previously announced, recruitment of a number of additional patients with ovarian and gastro-oesophageal cancer also continues following promising efficacy signals in both these tumour types.
- The phase 2 clinical trial of DEP® irinotecan has recruited 76 patients to date, with encouraging efficacy signals observed in multiple tumour types, including colorectal, breast, ovarian, pancreatic, lung, and oesophageal cancer. These responses include impressive and prolonged tumour shrinkage, in some cases as long as 72 weeks, and reductions in tumour markers.
- Starpharma is in advanced stages of preparation for commencement of the phase 1/2 combination arm of DEP® irinotecan used in combination with 5-FU + Leucovorin ('FOLFIRI'). FOLFIRI is a commonly used combination treatment regimen in colorectal cancer. This combination arm will run in parallel with ongoing phase 2 monotherapy investigations and enrolment of patients in the DEP® irinotecan combination arm is expected to commence shortly.
- The DEP® docetaxel clinical program has recruited 71 patients to date across the monotherapy and combination arms. Encouraging efficacy signals such as prolonged stable disease and significant tumour shrinkage have been observed in heavily pre-treated patients with lung, pancreatic, oesophageal, cholangiocarcinoma and gastric cancers.
- Starpharma continues to progress multiple preclinical DEP® programs, including DEP® gemcitabine, which is undergoing scale-up, clinical product manufacture and other trial preparations ahead of commencement of DEP® gemcitabine's phase 1/2 clinical trial.
- Starpharma continues to deepen its pipeline of DEP® candidates and progress these towards the clinic, including in the areas of DEP® radiotheranostics and DEP® antibody drug conjugates (ADCs).
- Further partnered DEP® collaborations involving both passive and targeted DEP® are at an advanced stage of negotiation with leading pharmaceutical companies, including in the areas of radiopharmaceuticals and chemotherapies.
- A new peer-reviewed publication of VivaGel® BV was published in Archives of Gynecology & Obstetrics. The review is titled '*Astodrimer sodium and bacterial vaginosis: a mini review'* and highlights the unmet need for new treatment and prevention options in BV, and the role that Starpharma's VivaGel® BV gel can play in addressing that important, unmet need. This publication will feed into marketing activities and clinical treatment guidelines for BV. VivaGel® BV is currently registered in more than 45 countries.

- On the basis of the success of the VivaGel® condom in Japan, Okamoto launched an additional VivaGel® condom range in Japan, under the brand name *Pure Marguerite*, targeting youth and female segments of the market. The range is being distributed through major national retail chains in Japan, including the largest pharmacy chain, Matsumoto Kiyoshi, and the largest supermarket chain, Ion.

Commenting on the quarter, Dr Jackie Fairley, Starpharma CEO, said: "Starpharma is working closely with LloydsPharmacy and both companies are looking forward to bringing VIRALEZE™ back to the UK market this quarter. Product manufacture and marketing preparations are underway in readiness for launch in the UK as well as in Saudi Arabia. In parallel, Starpharma continues regulatory activities and commercial discussions with potential distributors in multiple other markets.

"Starpharma was pleased to successfully resolve issues with the MHRA during the quarter and to make positive progress with its medical device application with the TGA.

"Starpharma's internal phase 2 DEP® programs continued to progress well this quarter, with encouraging efficacy signals observed across all programs and preparations now well advanced for the commencement of the DEP® irinotecan combination arm. In addition, DEP® gemcitabine is expected to commence its first in human study soon, with preclinical work being finalised. Our partnered DEP® programs, including AZD0466 clinical programs with AstraZeneca, and other programs with Merck & Co., Inc., Chase Sun, and others, have also made good progress this quarter. It is particularly exciting to see AstraZeneca further expand the indications for their AZD0466 clinical program."

The closing cash balance as at 31 March 2022 was $54.8 million, an increase of $3.6 million from the previous quarter. Receipts from customers and grants in the quarter totalled $9.6 million, with receipts from customers of $1.8 million, including VIRALEZE™ revenue for Asian and European markets, and $7.7 million for the R&D tax incentive refund received in January.

With the higher receipts, net operating cashflow was positive ($3.0 million) for the quarter. Operating cash outgoings included the continued significant investment in R&D ($2.9 million), reflecting the company's ongoing three phase 2 DEP® clinical programs, and development of further DEP® candidates, such as DEP® gemcitabine, DEP® ADCs and DEP® radiotheranostics. Product manufacturing and operating expenses ($1.6 million) reflects inventory and product manufacture costs for the ongoing commercial rollout of VIRALEZE™. Staffing costs of $1.9 million, include non-executive and executive directors' fees of $240,000. Cash outflows from investing activities ($0.6 million) reflects the investment of scientific equipment, while cash inflows from financing activities ($1.4 million) reflects a further draw down from the Invest Victoria low-interest R&D cash flow loan.

About Starpharma

Starpharma Holdings Limited (ASX:SPL, OTCQX:SPHRY) is a global biopharmaceutical company and a world leader in the development of new pharmaceutical and medical products based on proprietary polymers called dendrimers, with programs for respiratory viruses, DEP® drug delivery and VivaGel®. Starpharma has developed VIRALEZE™, an antiviral nasal spray that is registered for sale in >30 countries, including in Europe, Asia, and the Middle East, and available outside Australia in certain markets online. VIRALEZE™ is not approved for sale or supply in Australia. SPL7013 is utilised in approved products - the VivaGel® condom and VivaGel® BV. VivaGel® products have been licensed in >160 countries, are registered in >45 countries and available for sale in the UK, Europe, Japan, South East Asia, South Africa, Australia and New Zealand.

As a leading company in dendrimer-based drug delivery, Starpharma's proprietary drug delivery platform technology, DEP®, is being used to improve pharmaceuticals, to reduce toxicities and enhance their performance. There are numerous internal and partnered programs underway to develop DEP® versions of existing drugs, particularly in the area of anti-cancer therapies. DEP® partnerships include oncology programs with AstraZeneca, with Merck & Co., Inc., in the area of Antibody Drug Conjugates (ADCs), with Chase Sun in the area of anti-infectives and other world leading pharmaceutical companies. Starpharma's partnered DEP® programs have the potential to generate significant future milestones and royalties.

Starpharma.com | Twitter | LinkedIn

Media: Sumit Media
Grant Titmus
Mob: +61 419 388 161
grant@sumitmedia.com.au

Starpharma Holdings Limited
Dr Jackie Fairley, Chief Executive Officer
Nigel Baade, CFO and Company Secretary
+61 3 8532 2704
investor.relations@starpharma.com
4-6 Southampton Crescent
Abbotsford Vic 3067

Disclosure
This ASX Announcement was authorised for release by the Chairman, Mr Rob Thomas.

The Quarterly Cashflow and Activities Report is not subject to formal external audit or review. Management has procedures in place with relevant staff to allow the CEO and CFO to make appropriate certifications prior to approval.

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. Clinical case studies and other clinical information given in this document are given for illustrative purposes only and are not necessarily a guide to product performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of future results. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of any Starpharma product.

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Starpharma Holdings Limited	
ABN	**Quarter ended ("current quarter")**
20 078 532 180	**31-Mar-22**

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,845	4,303
1.2	Payments for		
	(a) research and development	(2,903)	(8,338)
	(b) product manufacturing and operating costs	(1,597)	(3,282)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(1,934)	(6,923)
	(f) administration and corporate costs	(251)	(1,499)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	24	118
1.5	Interest and other costs of finance paid	(12)	(36)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	7,802	8,117
1.8	Other	-	(729)
1.9	**Net cash from / (used in) operating activities**	**2,974**	**(8,269)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(604)	(797)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	1
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(603)**	**(796)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,600	4,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal repayments on lease liability in compliance with AASB16)	(200)	(570)
3.10	**Net cash from / (used in) financing activities**	**1,400**	**3,430**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	51,254	60,500
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,974	(8,269)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(603)	(796)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,400	3,430
4.5	Effect of movement in exchange rates on cash held	(195)	(35)
4.60	**Cash and cash equivalents at end of period**	**54,830**	**54,830**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	5,713	5,718
5.2	Call deposits	49,117	45,536
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**54,830**	**51,254**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	240
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1 consists of the following:
(a) remuneration paid to the Chief Executive Officer; and
(b) director's fees paid to non-executive directors.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	4,800	4,618
7.2	Credit standby arrangements	150	10
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**4,950**	**4,628**

7.5	Unused financing facilities available at quarter end	322

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Item 7.1 consists of:
- $0.8M existing National Australia Bank master asset finance facility for leased laboratory equipment, secured against equipment and a term deposit, interest rate 2.8%.
- $4.0M Invest Victoria low-interest R&D cash flow loan with Treasury Corporation of Victoria maturing Oct-2023, secured against future refundable R&D tax incentives, current interest rate 0.265%. A$4.0M drawn per item 3.5 above.

Item 7.2 is a National Australia Bank corporate credit card facility (rate 12.65%).

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	2,974
8.2	Cash and cash equivalents at quarter end (item 4.6)	54,830
8.3	Unused finance facilities available at quarter end (item 7.5)	322
8.4	Total available funding (item 8.2 + item 8.3)	55,152
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**N/A**

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: Rob Thomas, Chairman
(Name of body or officer authorising release – see note 4)

Notes

1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.