



ACRUX INVESTOR PRESENTATION (ASX: ACR)

September 2021



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Acrux has a demonstrated track record of development and commercialisation of topical prescription pharmaceuticals



Acrux has growing revenue from its product portfolio including revenue share, profit share and milestones



Acrux has 3 products sold globally with a pipeline of 12 products in various stages of development and 6 commercial partnerships in place



Business overview



Acrux has a demonstrated track record of development and commercialisation of topical prescription pharmaceuticals

Products commercialised by Acrux	Acrux product history	Past Acrux outcomes
	Testosterone solution Was sold in 6 countries with revenue share and milestones received by Acrux from FY10 – FY18.	<ul style="list-style-type: none">The product generated substantial returns for Acrux shareholders through payment of milestones and revenue share to the Company
	Acrux currently marketed products	Recent Acrux outcomes
	Estradiol spray Currently sold as Evamist® in the United States. Currently sold as Lenzetto® in over 30 countries with milestones and revenue share received by Acrux from FY17 onwards.	<ul style="list-style-type: none">Acrux revenue from its Estradiol licensees grew 25% in FY21 over prior financial yearRevenue share payable to Acrux exceeded \$1 million in FY21



Business overview

- Acrux has growing revenue from its product portfolio including revenue share, profit share and milestones
- Acrux has 3 products sold globally with a pipeline of more than 12 products in various stages of development and 6 commercial partnerships in place

	Acrux product pipeline	Recent Acrux outcomes
Product pipeline	<p>As at end August 2021 Acrux has 15 products in its generic topical portfolio</p> <ul style="list-style-type: none">▪ 3 products FDA approved in 2021 including one commercialised in August 2021▪ 12 products under various stages of development by Acrux including 2 products under FDA review	<ul style="list-style-type: none">▪ FDA approval received for 3 products in 2021 to date▪ Acrux licensee launched generic Testosterone Topical Solution in August 2021▪ 6 commercial agreements for 11 products including 4 agreements executed since 2020 for 9 products



Key Investment highlights



Focus on specialised and lucrative topical generic market

- 3 products **on market** in over 30 countries including Testosterone Topical solution launched in August 2021 in the United States
- **15 topical generic products in portfolio including 12 in various stages of development** with an addressable market of **~US\$1.2bn¹**
- The topical generic market provides **attractive returns with low-risk and low development costs** for highly specialised drug developers
- The size of the topical generic market in the US is **~US\$16bn²**



Highly skilled development team

- Proven commercialisation strategy to **bring a portfolio of products to market**
- Led by an experienced management team, Acrux possesses **unique development and commercialisation know-how and capabilities**
- TGA approved, Good Manufacturing Practice (GMP) facility with 25 specialised scientists creates a substantial competitive advantage in generic product selection, development and commercialisation





R&D investment in product pipeline entering commercialisation

- **Products sold through licensees** in Europe, the United States and other countries
- **FDA approvals received** for Prilocaine/Lidocaine cream 2.5%/2.5% and Efinaconazole solution 10% in mid 2021
- **6 commercial agreements** with 6 different pharma companies for 11 products in place. Licensing agreements feature recurring revenue on commercialisation
- **Objective to be cash flow positive by end of 2022**



AcruX is focussed on an underserved market segment

	Total market	Oral drugs 	AcruX focus: Prescription topical drugs 
Definition of market (all drugs including NCEs and generics)	Total US prescription pharma market	Drugs that are ingested orally (eg tablets, capsules)	Drugs that are applied topically to the skin, eyes, ears and nose (eg creams, ointments, gels, solutions)
Market size ¹	>US\$520bn	~US\$200bn	~US\$16bn ²
Generic market share	~90% ³	~91% ³	47% ⁴
Typical generic development complexity	Variable	Low	Greater complexity than oral generic drug development
Generic competition	<i>Variable</i>	<i>High competition from many generic drug manufacturers</i>	<i>Limited generic competition given niche market and development complexity</i>

Source:

7

1. US market by dosage form, IQVIA Q3, 2020 MAT, US market sales (US\$); 2. Market size for topically applied drugs IQVIA Q3, 2020 MAT, US market sales (US\$)

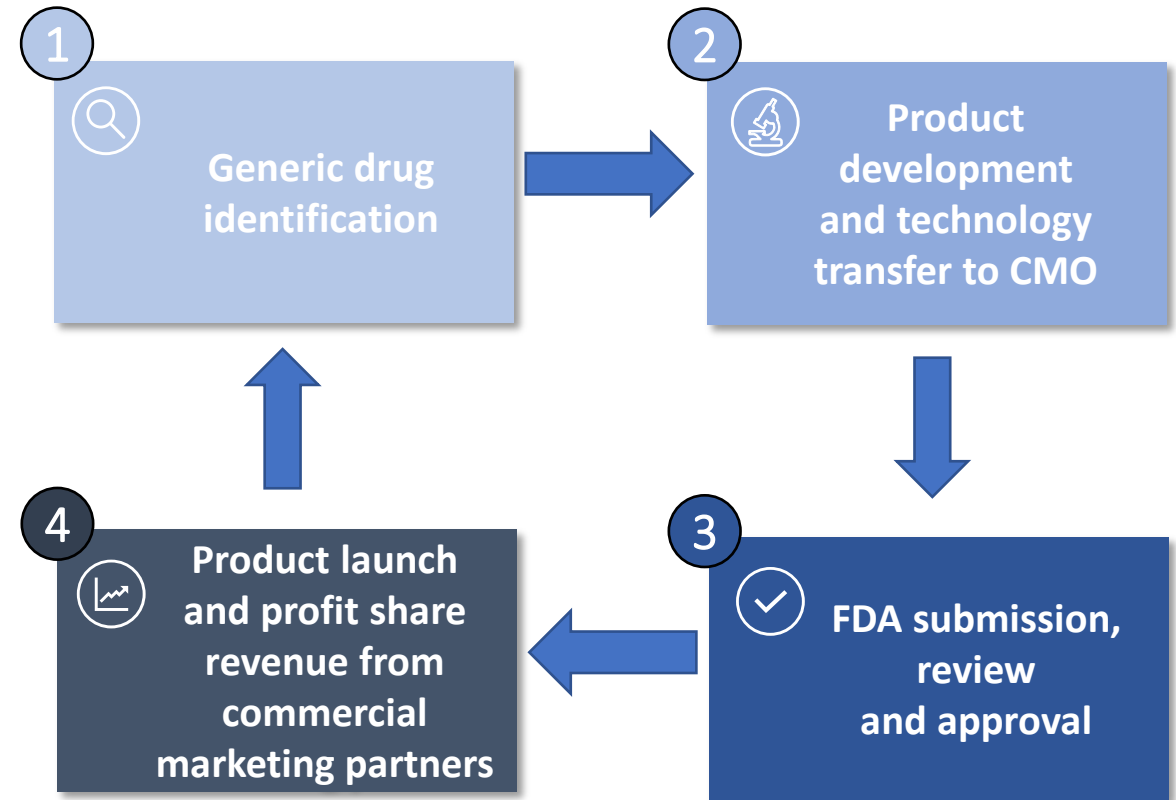
3. IQVIA Global Generic and Biosimilars Trends and Insights – 2018; 4. IQVIA, National Sales Perspectives, January 2019 – Unbranded generic share of dermatology, MAT





Revenue generating business model supporting long-term growth

- On market products are generating growing revenues for Acrux from growth of existing products and new launches
- Through the Acrux GMP facility with 25 specialised scientists, Acrux possesses the capabilities to develop and commercialise generic topical and transdermal pharmaceutical products
- The core business model of generic drug development is supported by ongoing licensing opportunities for commercial marketing and distribution



FY21 Profit and Loss

Profit and loss for the year ended 30 June 2021				
	2021	2020	Movement	Movement
	\$'000	\$'000	\$'000	%
Revenue and Other Income				
Revenue from licensing agreements	1,337	1,253	84	7%
R&D Tax Incentive Rebate	3,421	2,327	1,094	47%
Other income	398	365	33	9%
Total Revenue and Other Income	5,156	3,945	1,211	31%
Less: Expenses				
External R&D Expenses	8,928	5,012	3,916	78%
Salaries and Directors' Fees	6,109	5,712	397	7%
Depreciation and amortisation	664	707	(43)	-6%
Other Expenses	1,887	1,899	(12)	-1%
Total Expenses	17,588	13,330	4,258	32%
Loss before income tax	(12,432)	(9,385)	(3,047)	32%
Income tax benefit/(expense)	(197)	(86)	(111)	129%
Net loss for the year	(12,629)	(9,471)	(3,158)	33%
Basic loss per share (cents)	(5.75)	(5.65)	(0.10)	-2%
Cash reserves	15,270	9,206	6,064	66%

FY21 Cashflow

Cashflow for the year ended 30 June 2021			
	2021	2020	Movement
	\$'000	\$'000	\$
Operating Activities			
Receipts from product agreements	1,228	1,093	135
R&D tax incentive rebate received	2,924	2,015	909
Other Income received	404	216	188
Payments to suppliers and employees	(15,785)	(11,666)	(4,119)
Finance costs	(185)	(191)	6
Net cash used in operating activities	(11,414)	(8,533)	(2,881)
Investing Activities			
Proceeds from property, plant and equipment	0	4	(4)
Payment for property, plant and equipment	(102)	(258)	156
Net cash used - property, plant and equipment	(102)	(254)	152
Financing Activities			
Lease liability principal repayments	(167)	(159)	(8)
Proceeds from capital raising	17,747	0	17,747
Net proceeds from financing activities	17,580	(159)	17,739
Net decrease in cash and cash equivalents	6,064	(8,946)	15,010
Cash at beginning of year	9,206	18,152	(8,946)
Cash at end of year	15,270	9,206	6,064



BENEFITS OF A POOLED DEVELOPMENT FUND

1

Companies with PDF status are taxed at 15% on their income and capital gains received from their investments

2

Australian resident shareholders are exempt from capital gains tax after selling their shares

3

Unfranked dividends received by an Australian resident shareholder from the Company will be exempt from tax in the hands of the shareholder

4

Franked dividends will also be exempt from tax unless the shareholder elects to treat the franked dividend as taxable

Shareholders should seek professional advice from their tax advisor regarding Pooled Development Funds and the benefits specifically available to their situation

Acrux Investment Opportunity

- Track record of developing and launching products
- Increasing revenue from marketed products
- Extensive product pipeline under development
- FDA approval of 3 products in 2021
- Additional product launches planned in 2022
- Strong management team

Thank you

Michael Kotsanis

CEO & Managing Director

Acrux Limited

P: + 61 3 8379 0100

E: michael.kotsanis@acrux.com.au

Visit our website: <http://www.acrux.com.au/>

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