

ACRUX PRESENTS AT BIOTRINITY IN EUROPE

Acrux (ASX: ACR) today announced that CEO and Managing Director, Michael Kotsanis will be presenting at the BioTrinity conference in London today.

“I am pleased to present at one of the leading European biotech conferences to discuss the growth strategy for our business and to provide insights into the attractive development programs we are currently executing” said Mr. Kotsanis.

The BioTrinity presentation follows this announcement.

For further information, contact

Michael Kotsanis, CEO and Managing Director: 03 8379 0100

About Acrux

Acrux (ASX: ACR) is a drug development company focused on commercialising topical products using its proprietary drug delivery technology. Incorporated in 1998 and using in house facilities and capabilities, Acrux has successfully developed and licensed a number of pharmaceutical products in the US and Europe using the Patchless Patch™, a fast-drying and invisible topical application technology. Acrux will continue to innovate and bring its developed products to the market in collaboration with licensees.

For further information on Acrux, visit www.acrux.com.au





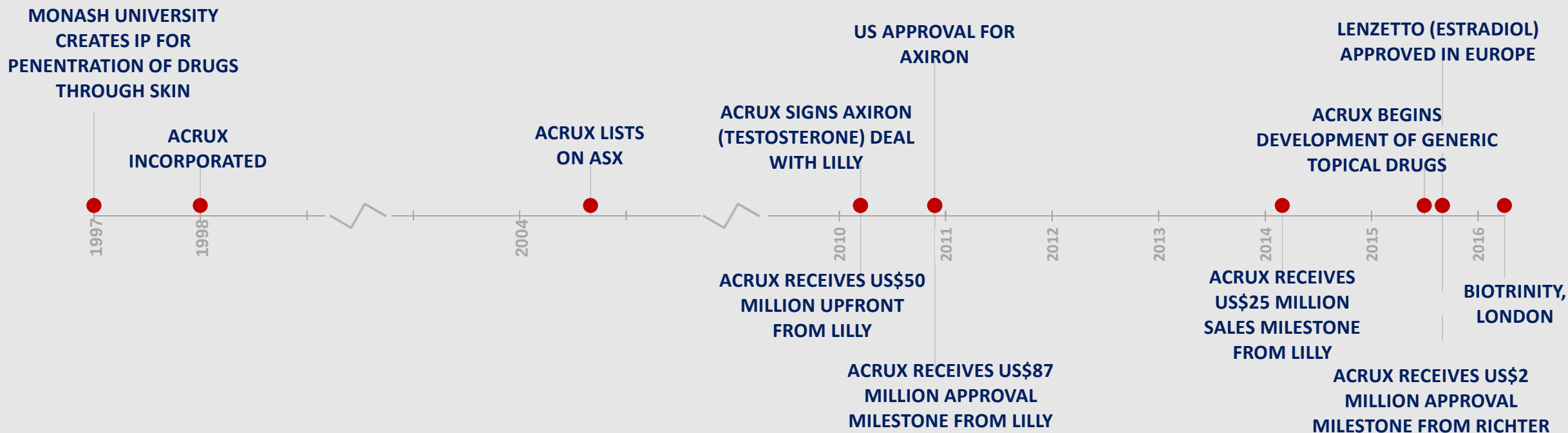
Acrux (ASX: ACR)

Michael Kotsanis
CEO & Managing Director

Forward looking statements

This presentation includes forward looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Acrux to be materially different from the statements in this presentation. Actual results could differ materially depending on factors such as the availability of resources, the results of clinical studies, the timing and effects of regulatory actions, the strength of competition and the effectiveness of patent protection.

Acrux key events



- Acrux was founded in 1998 and listed on the ASX in 2004
- Acrux generates the majority of its revenue from royalties from Axiron
- Axiron is licensed to Eli Lilly and was launched in the United States in 2011

FY 2015 Business milestones

\$11.1 million – Acrux records its sixth consecutive profitable year

\$23.1 million – cash reserves at end June, 2015

Estradiol – approved in Europe. Milestones of US\$2 million triggered FY16

Topical generic pipeline – portfolio identified

NSAIDs – superior formulations developed

\$1.02 per share – total capital returned to shareholders over the past 5 years

**Acrux is building a sustainable business model
with a broader portfolio which
leverages its existing topical expertise in
compelling market segments**

How:

- ☐ Core competency – utilise current technology, skills and capabilities
- ☐ Highly experienced formulation team
- ☐ Product development focused on commercially compelling opportunities
- ☐ Partner with strong and capable licensees

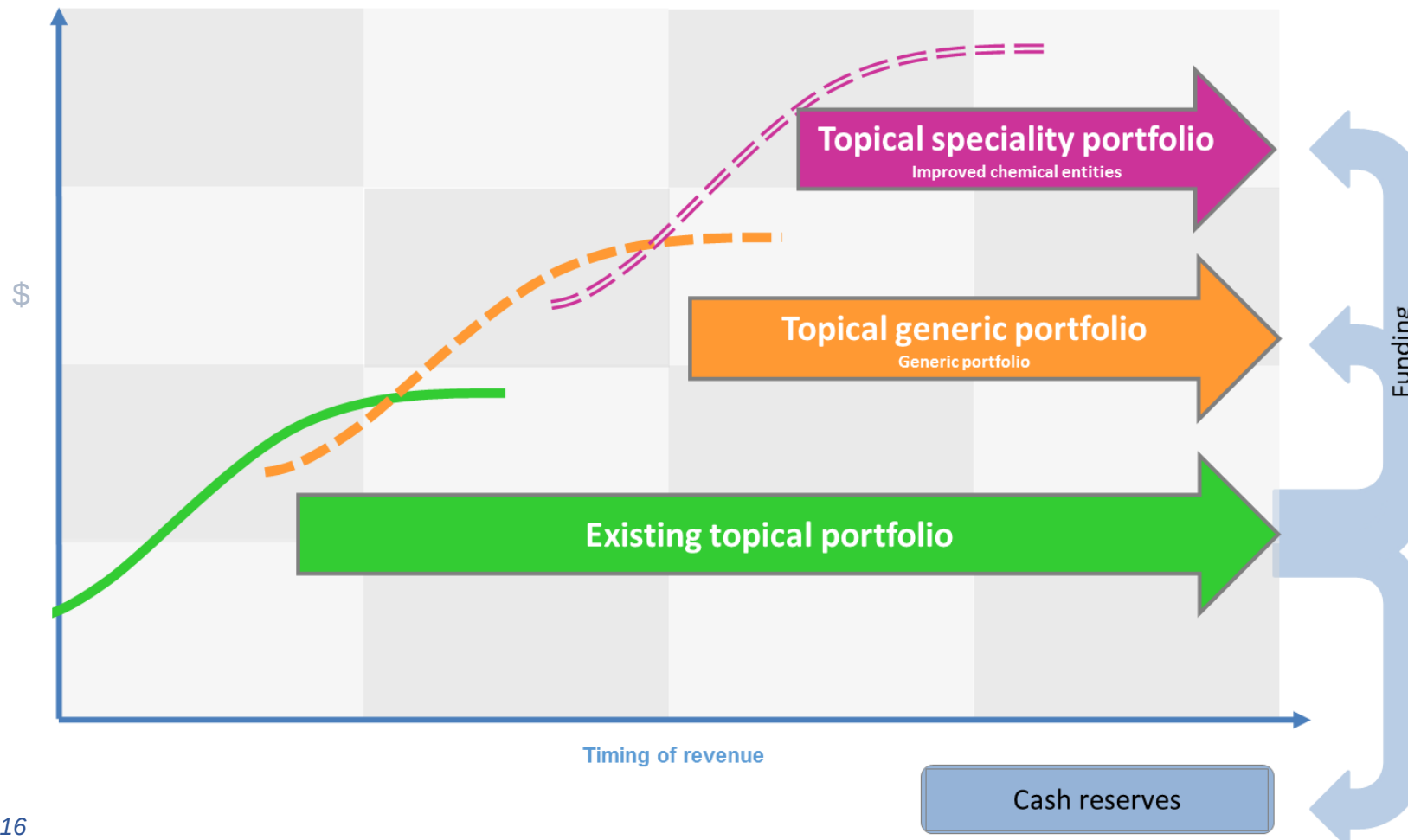
Measures of success:

- ☐ Portfolio with multiple products in various stages of development
- ☐ Valuable products licensed and commercialised
- ☐ Profitable and sustainable business

Growth Strategy - Framework for continued growth

Existing topical portfolio

- Includes Axiron®, Lenzetto®, Evamist®
- Strong cash inflow – facilitating our growth strategy
- Territory expansion being executed



Existing Topical Portfolio Marketed Products



Axiron®



Evamist® / Lenzetto®

Recuvyra®



Existing Topical Portfolio

Lead Product – Axiron

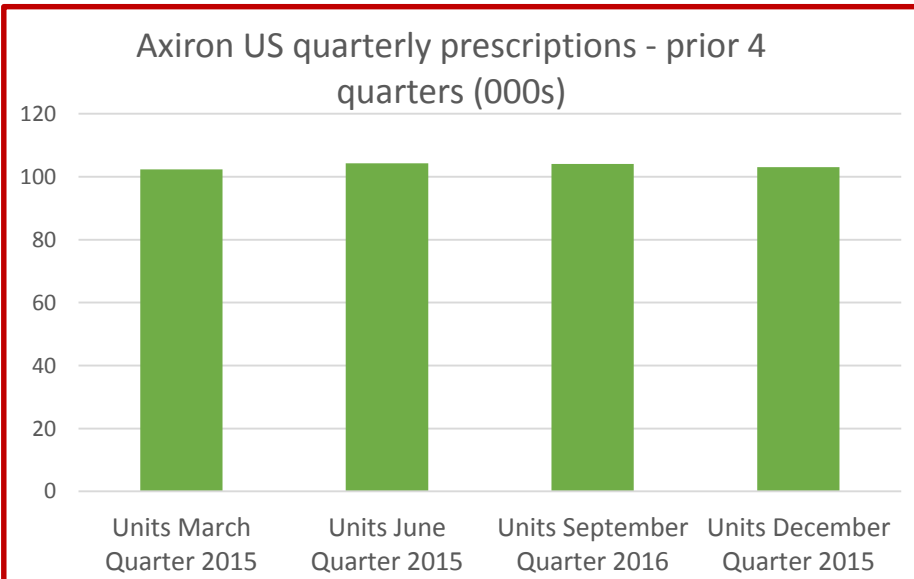
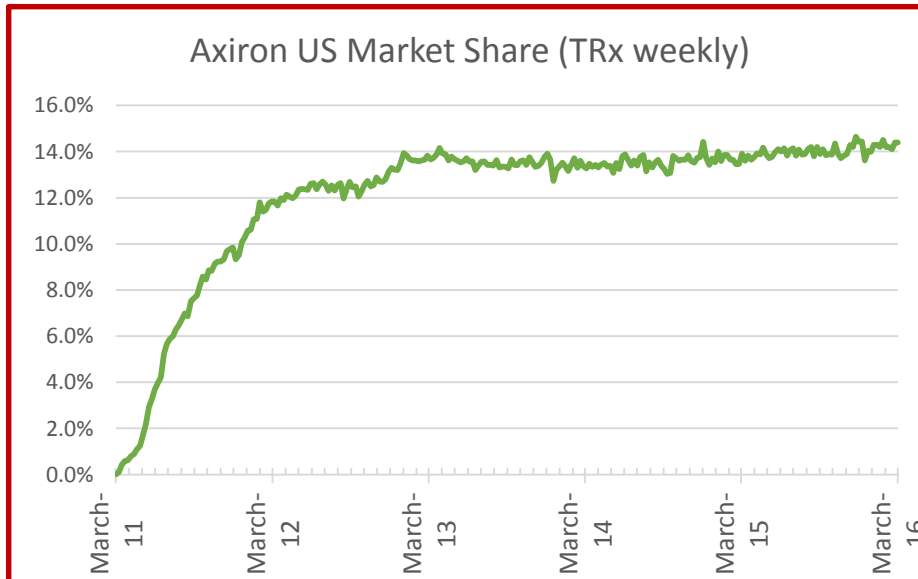
- AXIRON is used to treat adult males who have low or no testosterone due to certain medical conditions
- Approved in the United States and selected other countries
- Testosterone replacement therapy market is \$1 billion+ in United States
- Only approved testosterone replacement therapy applied in the axilla
 - Patented application site
- Marketed by Eli Lilly
- Acrux receives royalties and milestones on sales from Lilly
- Axiron patent litigation case is currently scheduled for June 2016

Existing Topical Portfolio

Axiron volume and market share



- Most recent testosterone FDA Drug Safety Communication in March 2015
- FDA and sponsors working towards collaborative long term safety trial
- Testosterone replacement therapy market remains attractive and substantial in size
- Axiron market share remains consistent at approximately 14%



Existing Topical Portfolio

Lenzetto® (estradiol) spray approved in Europe

- LENZETTO is a hormone replacement therapy for women
- Initial European regulatory approvals granted 2H 2015
- US\$2 million milestones received
- First product launches took place in January 2016
- Progressive European roll-out to new markets
- Topical estrogen-only HRT market is valued at over EURO 85 million



Topical Specialty Portfolio



Sources: www.companiesandmarkets.com; www.podiatrytoday.com

Acrux antifungal development

Indication

For treatment of fungal infection (onychomycosis) of toenails and fingernails

Formulation

Solution for topical administration

Target profile

- Fast drying time with no residue
- Easy and convenient delivery
- Better efficacy than comparator product
- Once daily application
- Low systemic absorption
- Long patent life, with new IP

Acrux is targeting best in class efficacy in an attractive growing market

Topical Generic Portfolio



- Portfolio being built, developing topical generic products in commercially attractive markets
- Reduced development timeframes compared to topical speciality portfolio
- Generic development opportunities identified through screen of marketed topical/transdermal products
- Initial portfolio of 12 potential products identified, development has been initiated. Current market value US\$2.4 billion
- Building portfolio of topical generic programs with sustainable returns

Our topical generic pipeline is commercially compelling

Growth Strategy – Product Pipeline

	Indication	Product Name		Formulation design	Pre-clinical development	Phase 1	Phase 2	Phase 3	Registration	Commercial	Partner
Existing Topical Portfolio	Hypogonadism	Axiron®									Eli Lilly
	Menopausal symptoms	Estradiol MDTs® USA – Evamist®									Perrigo
	Post-operative pain in dogs	Recuvyra®									Elanco
	Menopausal symptoms	Estradiol MDTs® Europe – Lenzetto®									Gedeon Richter
Topical Speciality Portfolio	Onychomycosis	ACR-065									
	Diclofenac	ACR-046									
	Ibuprofen	ACR-048									
Topical Generics Portfolio	Various	Initial generic portfolio*									

**Development work has been initiated on 3 generic products*

Half-year earnings result

	31 Dec 2015 \$'000	31 Dec 2014 \$'000	
Earnings summary			
Royalty revenue	15,224	13,729	
Milestone revenue	2,534	-	
Interest income	242	313	
Other income	4	176	
Total revenue and other income	18,004	14,218	26.6%
Expenses	4,700	3,934	19.5%
Profit before income tax expense	13,304	10,284	29.4%
Income tax expense	3,558	3,266	8.9%
Net profit after tax	9,746	7,018	38.9%
Earnings per share	\$0.06	\$0.04	50.0%
Cash & cash equivalents	21,539	15,792	36.4%

- ➔ Strong earnings growth, earnings per share \$0.06 cents (Dec 14: \$0.04)
- ➔ Revenue largely comprises Axiron royalties and Lenzetto milestones.
 - ➔ Axiron sales US\$83.0M for half year ended Dec 15 and consistent with prior year of US\$83.9M
 - ➔ Lenzetto milestone triggered upon marketing approval being granted in the first 3 countries within Europe
 - ➔ Favourable foreign exchange contributed to revenue growth
- ➔ Investment in the Company's growth strategy continued, largely resulting in the recruitment of research and development staff to bring products to market
- ➔ Income tax expense decreased as a percentage of sales due to utilisation of prior accumulated tax losses
- ➔ Well positioned to execute growth strategy with cash reserves of \$21.5M at Dec 15 and nil debt



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DRUG DELIVERY SOLUTIONS

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Acrux Management Team



Michael Kotsanis
CEO & MD



Ex – Faulding/Mayne/Hospira, Synthon

Sharon Papworth
CFO & Company Secretary



Joined Acrux 2014
Ex – KPMG, Mayne/Hospira,
Salmat

Felicia Colagrande
Product Development &
Technical Affairs Director



Joined Acrux 2001
Ex – Austin Hospital, Faulding

Nina Webster
Commercial Director



Joined Acrux 2013
Ex – Wyeth

Charles O'Sullivan
Project Director



Joined Acrux 2015
Ex – Royal Children's Hospital
GSK, Mayne/Hospira