

Epichem Reports Record \$3m Revenues and Expands Laboratory to Accelerate Growth

17 July 2017 – Perth, Australia: PharmAust Limited (ASX:PAA) is delighted to announce that its wholly owned subsidiary Epichem has generated a record \$3.05m in revenues for the 2017 financial year, a 30 per cent increase over the previous year (subject to final audit sign-off). Epichem is targeting \$4m in revenues for the 2018 financial year.

Growth occurred in all of Epichem's business divisions. These included Epichem's Drug Discovery Services arm, which benefitted from a significant new customer based in the USA. Growth in Epichem's Fine Chemicals & Technical Services business, which includes the company's catalogue of pharmaceutical reference standards, was assisted by Epichem's certification to the ISO9001 Quality Management System in 2016.

Epichem is now pleased to announce that in July 2017 it applied for both ISO17025 and ISO17034 Quality Accreditation, which represent the highest international standards for the production of reference standards. Successfully achieving these accreditation standards will facilitate access to further major global partners and is expected to drive significant growth in the high-margin catalogue business. An outcome to these application processes is expected by Q4, 2017.

Finally, Epichem is pleased to announce it will be expanding its existing laboratory space and hood capacity by a further 50 per cent. This expansion will be part-funded by a \$466K loan from the Export Finance Insurance Commission (Efic) to be repaid over four years.

Epichem's Managing Director, Dr Wayne Best, said: "Our existing laboratories, which were expanded in 2015, are now running at full capacity. The new laboratories are needed to meet current and forecast demand." Dr Best added: "the time could not be better for a further expansion. The lower Australian dollar and the ongoing improvements to our quality accreditation levels are expected to continue driving significant revenue growth for the company and shareholders".

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About Epichem:

Epichem is a wholly owned subsidiary of the ASX listed company PharmAust Limited. Located in Technology Park, Western Australia, Epichem has been delivering products and services in synthetic and medicinal chemistry to the global drug discovery and pharmaceutical industries in 35 countries worldwide for over 12 years. Epichem has a newly constructed state-of-the-art laboratory and has world class equipment and expertise in synthetic and medicinal chemistry for the cost effective synthesis of drug analogue libraries and intermediates. It also has a rapidly growing catalogue of pharmaceutical reference standards. More information at www.epichem.com.au

About PharmAust (PAA):

PAA is a clinical-stage company developing targeted cancer therapeutics for both humans and animals. The company specialises in repurposing marketed drugs lowering the risks and costs of development. PAA's lead drug candidate is Monepantel (MPL), a novel, potent and safe inhibitor of the mTOR pathway - a key driver of cancer. MPL has been evaluated in Phase 1 clinical trials in humans and dogs. MPL treatment was well-tolerated and produced a significant reduction in key prognostic biomarkers. PAA is uniquely positioned to commercialise MPL for treatment of human and veterinary cancers as it advances the drug into Phase 2 clinical trial.