ASX Announcement

Quarterly Cashflow Report

Melbourne, Australia; 30 April 2018: Starpharma (ASX: SPL, OTCQX: SPHRY) today released its Appendix 4C – Quarterly Cashflow Report for the period ended 31 March 2018.

Starpharma's cash balance as at 31 March 2018 was $54.1 million, with net operating and investing cash inflows for the quarter of $3.7 million, placing Starpharma in a strong cash position to commercialise its VivaGel® products and accelerate the development of multiple DEP® programs. The cash inflows for the quarter included the R&D tax incentive of $3.7 million and US$2.4 million received from the FDA after granting Starpharma a Small Business Waiver for its NDA fee.

Recent operational highlights include:

- **VivaGel® BV NDA completed, with FDA review being conducted under Fast Track status.** The NDA submission for VivaGel® BV for two indications, treatment and prevention of BV, has been completed and will be submitted to the FDA on Monday 30 April 2018, US time. Fast Track status for VivaGel® BV provides for priority regulatory review by the FDA, which is expected to take approximately 6-8 months.
- **Licensing negotiations for commercial rights to VivaGel® BV are well-advanced across multiple regions, including the US.** Licences are currently under negotiation with parties for all regions, including major global and regional companies as well as companies specialising in women's health. Starpharma expects to make announcements in relation to licence rights to VivaGel® BV in the near future.
- **Fleurstat BV gel Australian launch preparations proceeding smoothly with final marketing preparations and manufacturing activities underway.** Starpharma is undertaking product manufacture and product labelling via its qualified vendors. Key launch activities, including distribution preparations, marketing and promotion preparations are well-advanced by Starpharma's partner, Aspen Pharmacare.
- **Phase 2 DEP® docetaxel trial is enrolling patients at Guy's Hospital London and two further UK sites have been initiated – Freeman Hospital Newcastle upon Tyne and University College London Hospital**. Several patients have received multiple cycles of DEP® docetaxel in the phase 2 study, and a number of patients have also been dosed in the combination phase of the study.
- **Phase 1/2 DEP® cabazitaxel trial has commenced following regulatory and ethics approvals, and multiple sites initiated.** Guy's Hospital London and University College London Hospital have been initiated for participation in this study with recruitment underway. The key objectives of the trial are to evaluate the safety, tolerability and pharmacokinetics of DEP® cabazitaxel, to define a recommended phase 2 dose and to explore anti-tumour efficacy of the product.
- **The collaboration between AstraZeneca and Starpharma, which comprises several DEP® candidates under a multiproduct licence and an additional DEP® program, continue to progress smoothly.** The use of Starpharma's in-house DEP® scale-up facilities has enabled partnered DEP® programs to be rapidly advanced with materials manufactured for both internal and partnered DEP® programs.

- **Preclinical work on several internal DEP® products including DEP® irinotecan continues to progress well with a view to Starpharma advancing further DEP® candidates to the clinic.**

Commenting on the Company's recent highlights and outlook, Dr Jackie Fairley, CEO of Starpharma said: "We are delighted to have completed the submission of our US NDA for VivaGel® BV, and we anticipate the FDA will finalise its review by the end of the year. The NDA has been an extensive undertaking, with more than 110,000 pages of data and reports submitted. At the same time, we've been very focussed on licensing negotiations for VivaGel® BV and we are currently finalising a number of deals and look forward to making announcements in the near future."

Commenting further, Dr Fairley said: "It's also an exciting time for our DEP® portfolio. During the quarter we initiated several new sites for our DEP® docetaxel phase 2 trial and the DEP® cabazitaxel phase 1/2 trial. We've continued to strengthen ties with our partners, including AstraZeneca, and we were delighted to have recently hosted several guests from AstraZeneca, including Global CEO, Dr. Pascal Soriot. We look forward to our first partnered DEP® program entering the clinic - AstraZeneca's AZD0466, and to building on this already strong corporate relationship," concluded Dr Fairley.

Outlook

- Aspen's launch of VivaGel® BV as Fleurstat BV gel in Australia
- Execution of multiple licences for VivaGel® BV (multiple territories/licences)
- FDA approval of NDA for VivaGel® BV
- Further regulatory approvals and launch of VivaGel® BV in other regions
- Advancement of the AstraZeneca DEP® programs, including AZD0466 and associated milestone payments
- Progress with the phase 2 DEP® docetaxel clinical trial and phase 1/2 DEP® cabazitaxel clinical trial, and further site(s) commencing recruitment
- Progress with other DEP® internal candidates, including DEP® irinotecan, and other partnered DEP® programs
- Other partnered DEP® deals anticipated
- Further regulatory approvals and launch of the VivaGel® condom in other regions

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 two core development programs: VivaGel® portfolio and DEP® drug delivery with the Company developing a number of products internally and others via commercial partnerships.

VivaGel®: Starpharma's portfolio includes women's health products based on VivaGel® (SPL7013, astodrimer sodium), a proprietary dendrimer. VivaGel® BV is approved for marketing in the EU and Australia for bacterial vaginosis (BV). Starpharma has a license agreement with Aspen Pharmacare Australia Pty Ltd for the sales and marketing of VivaGel® BV in Australia and New Zealand. Starpharma has also developed an antiviral condom which uses VivaGel® in the lubricant, which is available in Australia and Canada under the Lifestyles® Dual Protect™ brand. Starpharma has a number of license agreements to market the VivaGel® condom in other regions, including China and Japan (Okamoto).

DEP® - Dendrimer Enhanced Product®: Starpharma's DEP® drug delivery platform has demonstrated reproducible preclinical benefits across multiple internal and partnered DEP® programs, including improved efficacy, safety and survival. Starpharma has two internal DEP® products – DEP® docetaxel and DEP® cabazitaxel - in clinical development in patients with solid tumours, and further DEP® products approaching clinical development. Starpharma's partnered DEP® programs include a multiproduct DEP® licence with AstraZeneca, which involves the development and commercialisation of two novel oncology compounds, with potential to add more.

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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.

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

Introduced 31/03/00, Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Starpharma Holdings Limited

ABN	Quarter ended ("current quarter")
20 078 532 180	**31 March 2018**

	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	812	1,238
1.2	Payments for		
	(a) research and development	(2,510)	(7,095)
	(b) product manufacturing and operating costs	(113)	(566)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(1,451)	(5,168)
	(f) administration and corporate costs	(163)	(443)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	228	783
1.5	Interest and other costs of finance paid	-	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3,747	3,747
1.8	Other (provide details if material)	-	-
	(a) Refundable US$2.4M FDA New Drug Application fee for VivaGel® BV (refunded Jan 2018)	3,205	-
1.9	**Net cash from / (used in) operating activities**	**3,755**	**(7,506)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(31)	(246)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(a) intellectual property	-	-
	(b) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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**	**(31)**	**(246)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(7)	(20)
3.10	**Net cash from / (used in) financing activities**	**(7)**	**(20)**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	49,902	61,188
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,755	(7,506)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(31)	(246)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	(20)
4.5	Effect of movement in exchange rates on cash held	436	639
4.6	**Cash and cash equivalents at end of quarter**	**54,055**	**54,055**

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	3,328	8,420
5.2	Call deposits	50,727	41,482
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)**	**54,055**	**49,902**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	220
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	200	53
8.2	Credit standby arrangements	150	17
8.3	Other (please specify)	-	-

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

Item 8.1 is a National Australia Bank master asset finance facility for leased laboratory equipment, the annual interest rate is 5.8% and the facility is secured against equipment and a term deposit. Item 8.2 is a National Australia Bank business credit card facility predominantly used for business travel, the facility is secured against a term deposit.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Research and development	(2,900)
9.2	Product manufacturing and operating costs	(150)
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(1,450)
9.6	Administration and corporate costs	(170)
9.7	Other	-
9.8	**Total estimated cash outflows *(excluding cash inflows)***	**(4,670)**

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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.

N J Baade
Company Secretary
30 April 2018

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2 If this quarterly 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 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.