SHAREHOLDER Update

JAN 2017

›› Enrolment complete for phase 3 program: VivaGel® BV for prevention of recurrence

In October 2016, Starpharma announced the completion of patient enrolment for its pivotal phase 3 trials evaluating the efficacy and safety of VivaGel® BV for prevention of recurrent bacterial vaginosis (BV-R). The phase 3 trials are being conducted in compliance with the European (EMA) authorities and US FDA to support global marketing applications. The Company has secured the binding agreement of FDA on the trial design, including the primary endpoint, via a Special Protocol Assessment (SPA).

Phase 3 clinical trials are the final trials to support a submission for marketing authorisation in the US, Europe and the world more generally. Trial completion is now expected in the first quarter of calendar year 2017, with topline results anticipated in the second quarter.

There are currently no clinically approved products for recurrent BV. The unmet medical need is significant, with the global market estimated to be worth more than US$1 billion annually.

›› VivaGel® BV granted QIDP and Fast Track designation by US FDA

In January 2017, QIDP and Fast Track designations were granted independently for both the VivaGel® BV treatment and prevention indications for bacterial vaginosis (BV). This positive development recognises the high unmet medical need in the management of BV, with these designations designed to make new therapeutics available to patients as rapidly as possible, carrying significant benefits for regulatory approval and commercialisation of VivaGel® BV.

These benefits include priority regulatory review and an additional five years' of market exclusivity. The Fast Track designation enables more frequent interactions with the FDA and expedited review, leading to faster approval, and facilitates earlier market access for patients.

This is a very positive commercial development for Starpharma which expedites the path to US market entry for VivaGel® BV, and importantly, accelerates access to VivaGel® BV for patients in the US.

Starpharma is already compiling a VivaGel® BV marketing application for submission to the FDA. It is expected that an application will be made in the near future for the treatment of BV, with the prevention indication to follow.

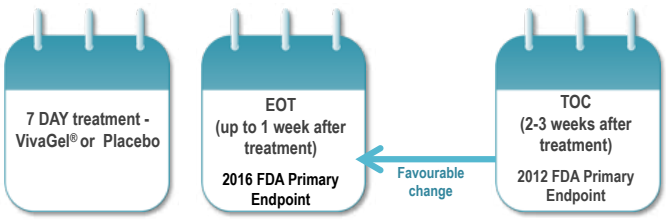
›› Favourable revision to FDA guidance for BV Treatment

The US FDA has revised its draft guidance for the development of products for BV treatment. These changes are expected to open up significant new market opportunities for the VivaGel® BV product given that the new criteria for the primary endpoint were achieved in Starpharma's previous Phase 3 trials.

New FDA Primary Endpoint – published in July 2016

The FDA's revised draft guidance for BV treatment, recommends that assessment of the primary endpoint for efficacy in BV treatment studies now be conducted 7–14 days after commencing treatment. For a 7-day therapy, this means conducting the assessment up to 1 week after completing the therapy, while the previous recommendation was to conduct the assessment 21–30 days after commencing treatment.

Starpharma's two phase 3 trials of VivaGel® for BV treatment (reported in 2012) showed highly statistically significant* clinical cure 2–5 days after treatment was completed which aligns with the revised FDA guidance.



* Statistically significant ($p<0.0001$ for each study) at end of treatment (EOT), which was measured at day 9–12 after first dosing, or 2-5 days after completion of the 7-day treatment.

VIVAGEL®

›› VivaGel® condom approved in Canada

In September 2016, Starpharma was granted regulatory approval for the VivaGel® condom by Canadian authorities and Ansell plan to launch early in 2017. The approval is significant given it is the first North American approval for the VivaGel® condom.

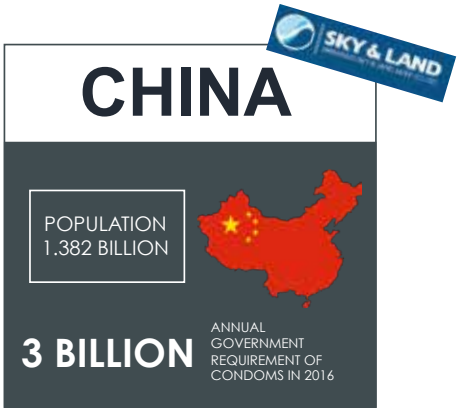
The VivaGel® condom now has regulatory approval in Australia, New Zealand and Canada, and further approvals are expected in the coming months, including for China and Iran where deals have recently been signed.

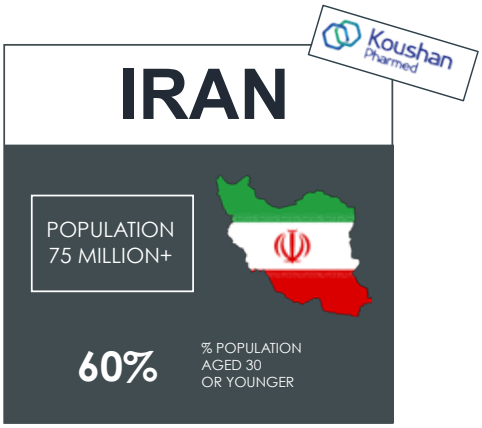
›› VivaGel® condom licensed in China

In July 2016, Starpharma signed an exclusive license and supply agreement with Shenyang Sky and Land Latex Co. Ltd (Sky and Land) for the manufacture and sale of VivaGel® condoms to the Government segment of the Chinese condom market.

Sky and Land is a major supplier of condoms to the Chinese Government which provides condoms to its citizens under various programs, with an annual requirement of approximately 3 billion condoms.

Starpharma and Sky and Land have already commenced regulatory activities to gain approval to sell the VivaGel® condom in China.





›› VivaGel® condom licensed in Iran

Another licensing and supply agreement for the VivaGel® condom was signed in November 2016, with Koushan Pharmed for Iran. Koushan Pharmed is one of the fastest growing pharmaceutical companies in Iran and has a track record of success in commercialising innovative products in the Iranian market.

The retail market for condoms in Iran presents a significant commercial opportunity as 60% of the 75 million population is under 30 years of age.

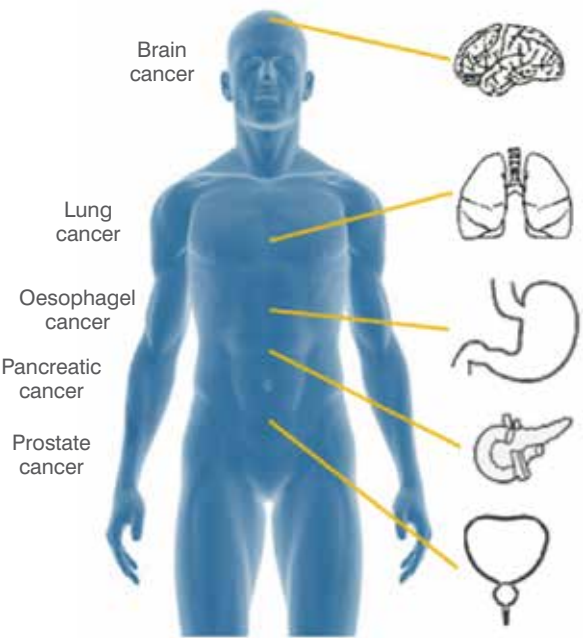
INTERNAL DRUG DELIVERY

›› Internal DEP® program – DEP® docetaxel in final expansion phase

Starpharma's lead internal drug delivery program for DEP® docetaxel – the dendrimer enhanced version of anticancer chemotherapy drug Taxotere® – is in the final expansion stage of phase 1 trials. A large UK site was added to accelerate recruitment for specific cancer types and facilitate rapid start-up of a phase 2 clinical trial.

Taxotere® is approved for treatment of breast cancer, lung cancer, prostate cancer, gastric cancer and head and neck cancer. Early results from the DEP® docetaxel trial are showing efficacy signals in a significant proportion of patients, including in cancers not typically sensitive to docetaxel. This activity is considered very encouraging given the patients in the trial have often failed multiple other cancer treatments before enrolment. In addition, no cases of neutropenia or alopecia (hair loss) have been reported to date.

Early results of the DEP® docetaxel trial have shown efficacy signals in multiple cancers



Preparations for a phase 2 trial of DEP® docetaxel are progressing well, with product manufacture, site and CRO selection well advanced.

PARTNERED DRUG DELIVERY

» DEP® technology: growing interest among global companies

AstraZeneca programs

In July 2016, AstraZeneca added a new DEP® program, outside the scope of the existing multiproduct license signed in 2015, and in addition to its current DEP® programs. This new program involves the application of the DEP® platform to a product from AstraZeneca's portfolio and is further validation of the value of the DEP® platform and its broad applicability to multiple products. There also remains significant scope outside these current programs for additional deals with other pharmaceutical companies and further expansion with AstraZeneca to other products.

"Oncology is the area with the greatest potential to drive future sales at AstraZeneca."

Ben Hirschler, Reuters

The expanded relationship between Starpharma and AstraZeneca has been well received by the investment community. Bell Potter labelled the most recent agreement a "vote of confidence from AstraZeneca".

"Oncology is becoming a critical part of our future. We now have more oncology sales in our forecast and less diabetes sales."

AstraZeneca CEO Pascal Soriot

AstraZeneca

Targeted DEP® partnerships

In 2016 Starpharma signed two new Targeted DEP® partnerships with world leading antibody-drug conjugate companies (ADC). These partners are major players in the ADC market and such collaborations are demonstrative of the additional high-value potential of the DEP® technology and its application to the development of the next generation of ADC based therapeutics.

"… we believe the overall [ADC] market will be worth USD 10 billion annually by 2025."

Root Analysis

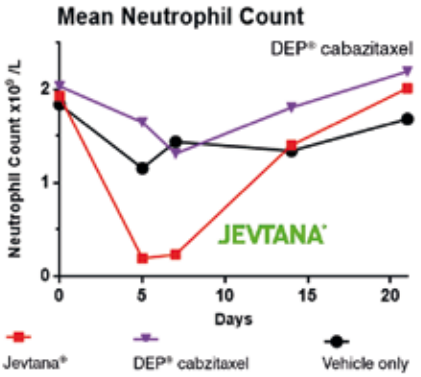
INTERNAL DRUG DELIVERY

» Internal DEP® program – DEP® cabazitaxel shows no neutropenia

Starpharma announced further illustrations of the platform nature of DEP® with DEP® cabazitaxel. DEP® cabazitaxel is Starpharma's dendrimer-enhanced version of the cancer drug Jevtana® (cabazitaxel). DEP® cabazitaxel provides excellent anticancer activity whilst protecting against the development of neutropenia typical of cabazitaxel, as demonstrated in a human breast cancer model.

Jevtana® is a leading oncology agent currently marketed for advanced prostate cancer and under development for breast cancer. It is marketed by Sanofi-Aventis with 2015 sales of approximately US$430 million and growing at approximately 18% per annum.

In the study, the relative toxicities of DEP® cabazitaxel and Jevtana® were compared. The graph below shows that animals treated with DEP® cabazitaxel did not develop neutropenia. In contrast, Jevtana®-treated animals exhibited neutropenia within the first week following treatment.



These results demonstrate reproducible benefits of DEP® dendrimers in enhancing the therapeutic window of drugs, including decreased bone marrow toxicity and enhanced efficacy across multiple drugs. Earlier results have shown DEP® cabazitaxel to significantly outperform Jevtana® in respect to both the level and duration of tumour regression as well as survival. The combination of these benefits for DEP® cabazitaxel creates compelling commercial advantages.

Jevtana® has a US FDA **"black box"** warning regarding neutropenia (reduction of a type white blood cells) and severe hypersensitivity to polysorbate 80

Potential advantages of DEP® cabazitaxel

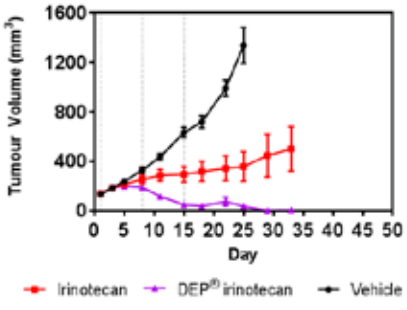
- ✓ Reduced toxicities including protection against neutropenia
- ✓ Detergent free formulation – no allergic reaction or need for cortisone pre-treatment
- ✓ Improved efficacy
- ✓ Proprietary (patented) formulation

INTERNAL DRUG DELIVERY

» New internal program – DEP® irinotecan

Starpharma's dendrimer version of irinotecan (DEP® irinotecan) showed enhanced tumour growth inhibition compared to Camptosar® (irinotecan) and near complete tumour regression in a human colon cancer mouse xenograft model.

Starpharma's DEP® irinotecan incorporates the irinotecan derivative (SN-38) which is the active agent of the marketed anticancer drug Camptosar®. Camptosar® is a major cancer drug primarily used for the treatment of advanced colorectal cancer but has a FDA "Black Box" warning for severe diarrhoea and myelosuppression (including neutropenia). Colorectal cancer is one of the most common cancers and an area of significant unmet need with few treatment options. Prior to losing patent exclusivity, Camptosar® had sales of more than US$1.1 billion globally.



AGROCHEMICALS

Strong corporate activity among the world's largest agrochemical companies

The market for yield-improving agrochemicals is growing and in 2016 the biggest players consolidated their positions. Following a recent corporate transaction, Adama is now owned outright by ChemChina, who has a reverse merger with its subsidiary planned and a possible listing on the Shenzhen Stock Exchange.

Global sales of US$680 million

2,4-D is the second largest herbicide globally with sales of US$680 million. In March 2016, Starpharma and global crop protection company Adama announced the licensing of Starpharma's Priostar® dendrimer technology for 2,4-D.

Priostar® Update

Starpharma has Priostar® partnerships with a number of global partners to enhance agricultural formulations, including with Adama.

Priostar® glyphosate

Priostar® glyphosate field results show improved weed control capabilities compared to standard marketed formulations of glyphosate, particularly in hard to kill weeds. The enhanced formulations have also shown faster knock-down of weeds.

Priostar® herbicide formulation

A recent trial in Asian rice crops has shown that a Priostar® herbicide formulation increased rice seedling density by ~50% over the commercial formulation.

CORPORATE NEWS

Starpharma News & Events

Starpharma presented at Bio-Europe, the largest partnering conference for the global biotechnology and life sciences industry. The conference attracts more than 3,600 participants, including many of the world's leading pharmaceutical companies.

22ND ANNUAL INTERNATIONAL PARTNERING CONFERENCE
BIO-EUROPE®

Starpharma's VP Business Development, Dr Tony Eglezos, presented the DEP® platform at the 6th Annual Partnership Opportunities in Drug Delivery (PODD) conference in Boston. Dr Eglezos was invited to join a panel alongside senior executives from AstraZeneca, Pfizer and Roche.

PODD

Dr Jackie Fairley presented at the ASX Spotlight conference, to more than 300 sophisticated and institutional investors in Hong Kong and Singapore.

ASX

CommSec's Tom Piotrowski interviewed Dr Jackie Fairley on the Company's FY16 results and outlook. View the full interview here: https://www.youtube.com/watch?v=69r2wlMpaVE

US talk show host Jimmy Fallon, in his 'Thank you' segment, wrote a thank you note to the Australian Olympic Committee, who provided Starpharma's VivaGel® antiviral condoms at the Rio Olympics. Watch the clip here: http://www.nbcnewyork.com/entertainment/entertainment-news/Tonight-Show-Jimmy-Fallon-Thank-You-Notes-Australian-Olympic-Committee-Birdhouses-Zika-Condoms-380348841.html

In January 2017, Dr Jackie Fairley and Dr Tony Eglezos attended the annual J.P. Morgan Healthcare Conference. Based in San Francisco, this is one of the largest annual healthcare conferences in the US. Investor meetings and partnering discussions with international pharmaceutical companies were held whilst attending the conference.

FINANCIALS

3Q CY2016 Quarterly Report

Starpharma remains in a strong cash position, with $37.6 million at the end of September 2016.

R&D tax incentive refund

In December 2016, Starpharma received a $3.5 million R&D tax incentive refund related to FY16 expenditures. The refund relates to eligible R&D expenditure across its VivaGel®, DEP® drug delivery and agrochemical programs.

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