AGM 2018 – Chairman's Address

20 November 2018

Before proceeding to the formal business of the meeting, I would like to provide an overview of progress since we last convened, and then we will hear from Dr van der Weerden.

2018 has been a transformative year for your company. We have moved from being an exploratory research company to one with a real drug candidate under development and substantial positive clinical-trial results.

At last year's AGM, I announced the successful completion of a $3.9 million rights issue to fund clinical trials of our lead antifungal molecule HXP124 as a treatment for fungal nail infections. This year, we were able to employ those funds to complete the first phase of those clinical trials in human patients and announce positive results. Nicole will provide details of these results.

While we have at this stage results only from the small sample, the results confirm our optimism for the future of our candidate therapy. The clinical trials demonstrated that our molecule is safe in the sample we have tested – no treatment related adverse events were reported, that all but one of the patients responded to the treatment, and that the treatment appears on track to provide a superior result to the current market-leading therapy.

With these results in hand, we will proceed in 2019 to continue further into the clinical-trial process, and simultaneously pursue potential opportunities to license the product to bring the product to market.

In order to fund this future work, in the next six months the company will be undertaking a capital raising in the order of $25 million, which will give us sufficient funds to take our product through the remaining clinical trials. On the back of our promising results in the first phase of the trials, we expect that this capital raising will be at a substantially increased valuation over the previous rights issue.

To assist in this effort, we have assembled a capable team of consultants and advisors with strong backgrounds in business development, capital raising, and drug development.

I am pleased to announce today that we will be adding Mr Scott Robertson to our board to strengthen our capability in these fields. Mr Robertson is an industry expert based in San Francisco, and has extensive experience in the pharmaceutical and biotechnology industries. He is especially expert in the fields of business development and capital raising.

The Hexima board is in the process of appointing a US-based investment bank to facilitate the capital raising process and we expect to announce this appointment before the end of the year.

As of 31 October 2018, Hexima has cash and receivables of $4.05 million. This should provide sufficient capital to fund Hexima's operations until December 2019, including a commitment of funds to continue development of HXP124 in preparation for phase IIb and III clinical trials.

In summary, your company now has a real drug candidate under development, with potential to be the preferred therapy in a field with current global sales approaching $4 billion. We have scientific and business teams capable of bringing those opportunities to fruition. If the results we have seen in the first phase of clinical trials are replicated in the coming larger-sample studies, we will be on track to introduce a successful and leading drug for this substantial application. It is an exciting time indeed for all of us part of this company.

End Chairman's Address