Jefferies Health Care Conference

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Robert Joseph

PRESIDENT & CHIEF EXECUTIVE OFFICER

PARNELL
living SCIENCE

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The Parnell Opportunity in Animal Healthcare:

Established Commercial Presence & Valuable Product Pipeline

- **5 Marketed Products; US Market Expansion Underway**
- **Robust Pipeline with 7 Products in Development**
- **Integrated Development, Manufacturing & Commercial Capabilities**
- **Unique Commercialization Model Utilizing Digital Technologies**
- **Experienced Leadership in Global Animal Healthcare with Track Record**

Parnell's Business Strategy & Advantages

- We have developed, registered, manufactured and commercialized Production and Companion Animal drugs in major markets.
- We have existing, rapidly growing revenues that demonstrate we can compete against the major multinational incumbents.
- We know the veterinary market and have successfully implemented an innovative commercialization strategy using Digital Technology.
- We can develop and commercialise drugs at a much lower cost due to our existing in-house capabilities including manufacturing
- We are using this experience to leverage our fully integrated value chain to progress our pipeline drugs delivering innovation to large, existing markets with unmet needs

Products & Pipeline

Our Products & Pipeline

	Pilot Studies	Pivotal Studies	Anticipated Approval	Market Size
GONAbreed® & estroPLAN® (Fertility) – Cattle	→	→	Marketed (12 Countries)	$200m
ZYDAX® (Osteoarthritis) – Dogs & Horses	→	→	Marketed (5 Countries; US/EU 2016)	$400m
GLYDE™ (Osteoarthritis) – Dogs & Horses	→	→	Marketed (5 Countries)	$500m
TERGIVE™ (Osteoarthritis) – Dogs	→	→	Marketed (1 Country)	$400m
PAR121 (Orthopedics) – Dogs, Cats & Horses	→		2018	~$200m
PAR122 (Dermatology) – Dogs	→		2018	~$300m
PAR081 (Anesthesia) – Dogs & Cats	→		2017	$120m
PAR101 (Diabetes & Laminitis) – Dogs & Horses	→		2017	~$100m
GONADOPRO™ (Fertility) – Cattle	→		2017	$200m
PAR061 (Mastitis) – Cattle	→		2019	$400m

☐ Production Animal ☐ Companion Animal

Positioned for rapid growth

Production Animal:

- Triple digit sales growth in US Production Animal Business
  - 7 territories in place, considering up to 3 more by year-end 2015
  - Market share and sales growing above plan – 189% YOY growth Q1, 2015
- mySYNCH® launch in September, 2015
  - Expect digital technology assets to create significant differentiation and potential subscription service revenue streams in future
- Expect to appoint partner in 2015 to commercialize repro hormones in Europe with launch in 2H, 2016
- Reiterate global peak sales opportunity for reproduction hormones of $20m – $30m
- Will target in-licensing opportunities that can leverage digital technology asset (mySYNCH®)

Companion Animal:

- Bringing Zydax® & Glyde® to Large Markets
  - Pivotal Efficacy trial nearing completion – **JUNE 18, 2015**
  - CMC section to be filed concomitantly with Efficacy section in July, 2015
- US Canine sales team under recruitment
  - Expect to launch Glyde and iKAM® in September, 2015
  - 40 territory managers covering 6,000 clinics
  - Expect to leverage companion sales team for up to 12 months prior to launch of Zydax in 2H, 2016
- Expect to appoint a marketing partner for Zydax and Glyde in Europe (and other major markets) in Q3, 2015.
- Reiterate significant global sales opportunity
  - Depth of data package and market experience with Zydax provide confidence that Zydax will be uniquely positioned as a revolutionary therapeutic for the management of osteoarthritis in dogs

Pipeline:

- Advancing 7 Proprietary Pipeline Programs
  - Full details at Investor Day: June 18, 2015
- Significant number of in-licensing opportunities under consideration:
  - Expect to complete at least one in-licensing transaction in 2H, 2015
  - Continue to focus on major companion animal markets:
    - Mobility
    - Dermatology
    - Surgery
  - Considering development of additional nutraceuticals (to complement Glyde)
- Progress species expansion opportunities for Zydax in 2015
  - Feline & Equine

Contract Manufacturing

- Currently considering two opportunities
- Both could see reasonably rapid commencement and thus enhance utilization of our current spare capacity (75%)
- Multi-million dollar annual revenues with high margin

Zydax – a significant opportunity

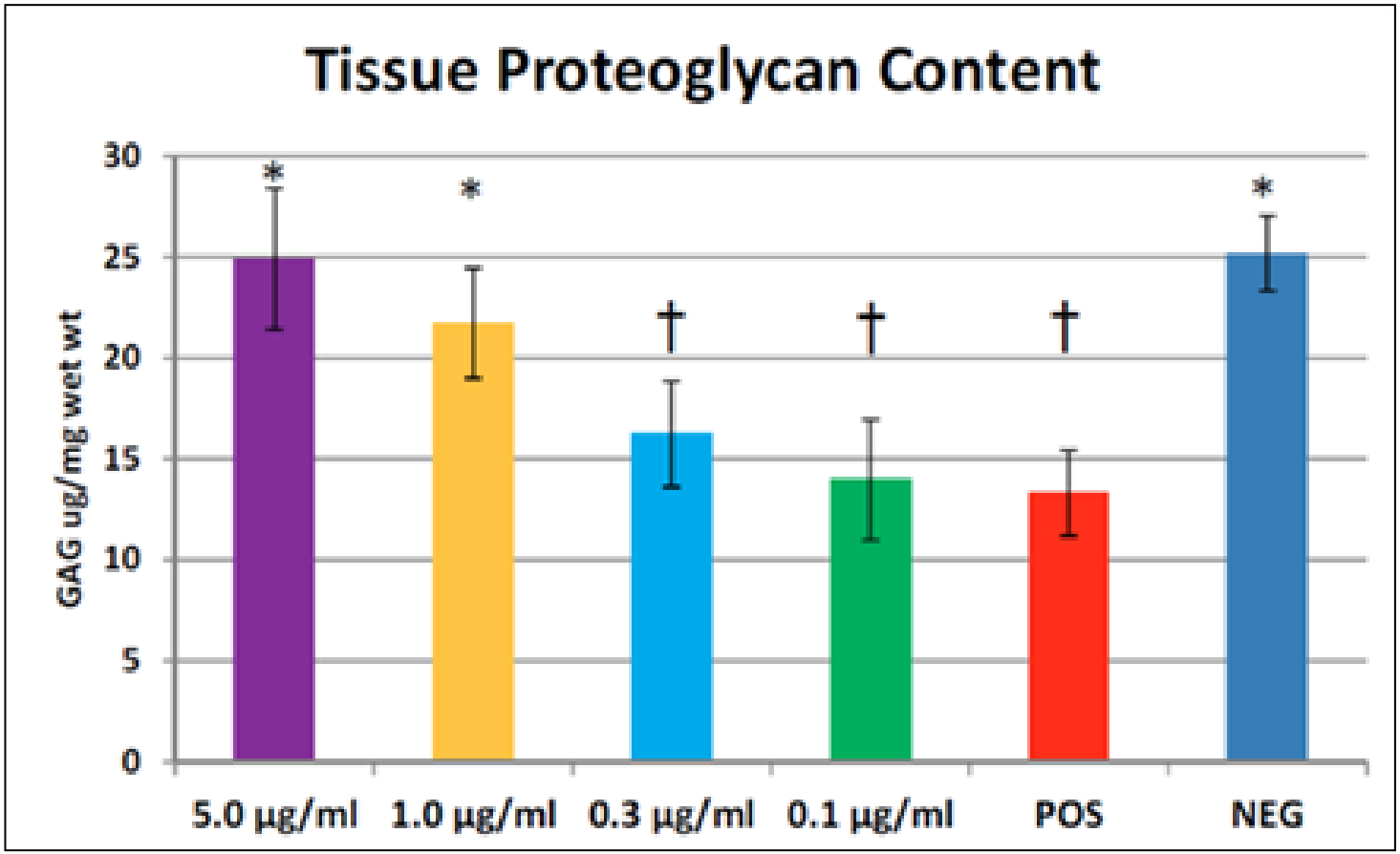
Zydax® - a unique Disease Modifying OA Drug

- Parnell has spent $7 million developing the API in Zydax
- We have also spent more than $2 million on clinical trials in over 600 dogs in 30 clinical trial sites
- We are the only company in the last 30 years to have developed a novel class of OA drug
- We have sold over 1 million doses in Australia

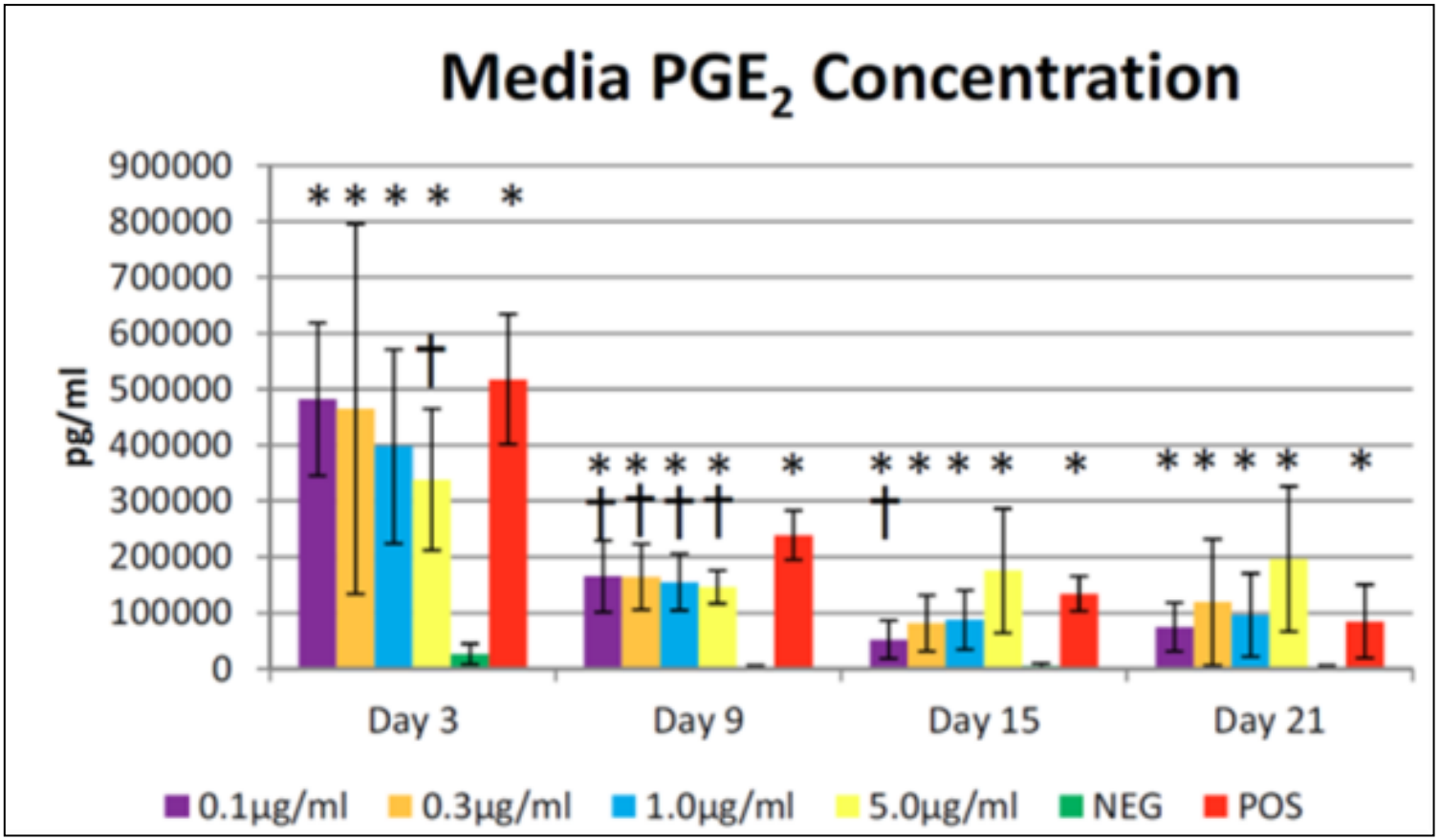
What is Zydax?

- Developed as an enhanced sulfated oligosaccharide (from PPS)
- 8-10 Xylan units that are each FULLY sulfated (19% - 20%)
- This leads to a UNIQUE structure that:
  - inhibits Aggrecanase-1
  - significantly increases Cartilage Proteoglycan content in 21 days
  - Significantly reduces Prostaglandin (pro-inflammatory) presence
  - Results in HIGHLY significant clinical outcomes
- Only Parnell has this compound and has patented it - GXS

UNIQUE MECHANISM OF ACTION
- stimulate new cartilage growth

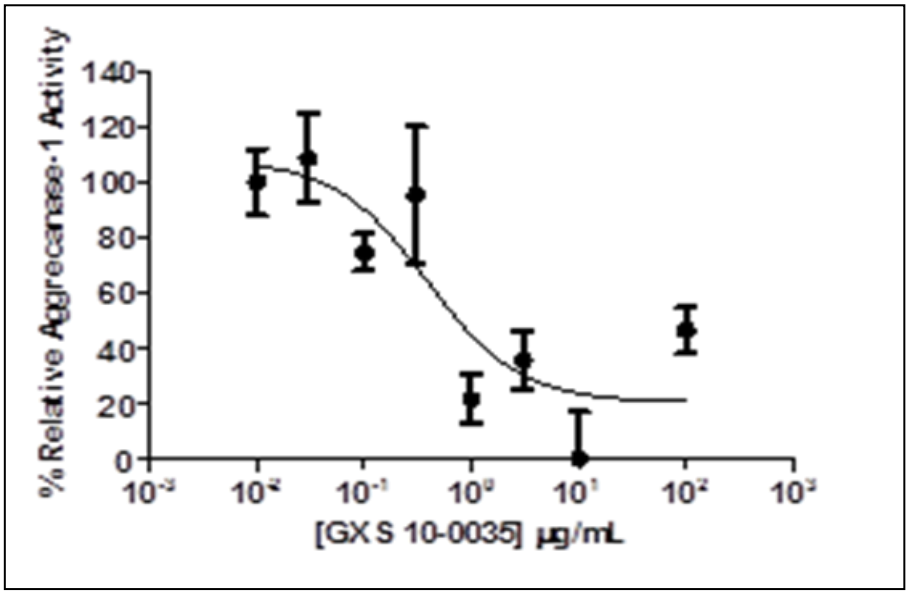


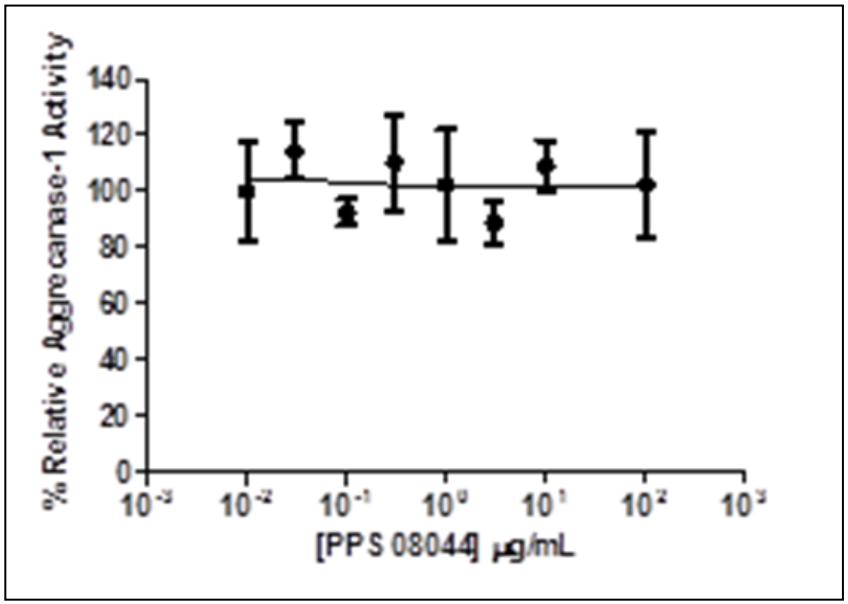
UNIQUE MECHANISM OF ACTION
- anti-inflammatory



ONLY ZYDAX INHIBITS AGGRECANASE-1

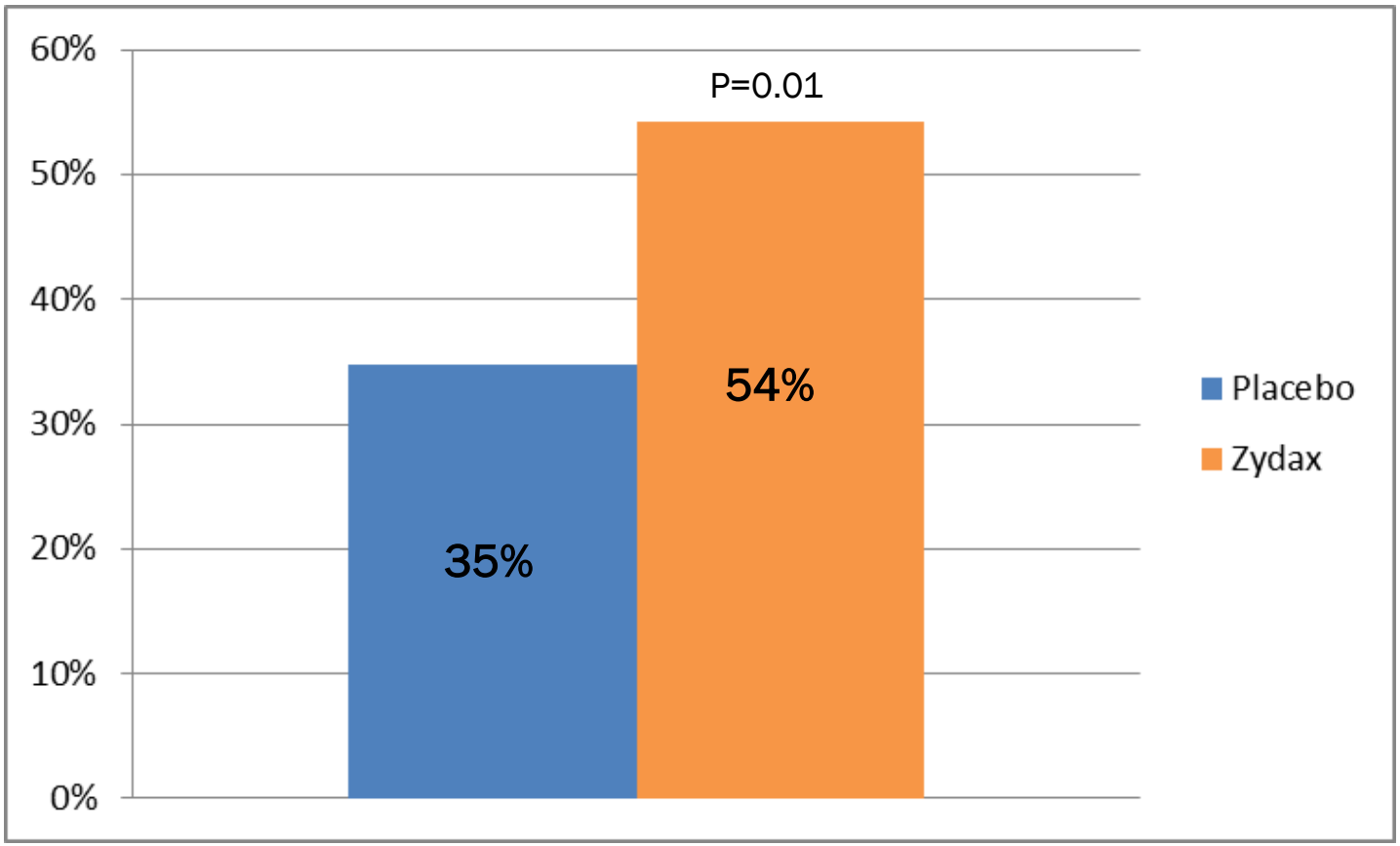
- It is well established the PRIMARY cause of degenerative joint disease is the up-regulation of Aggrecanase-1
- In a head-to-head study against PPS, only ZYDAX was able to substantially reduce the activity of the up-regulated destructive enzymes present in OA





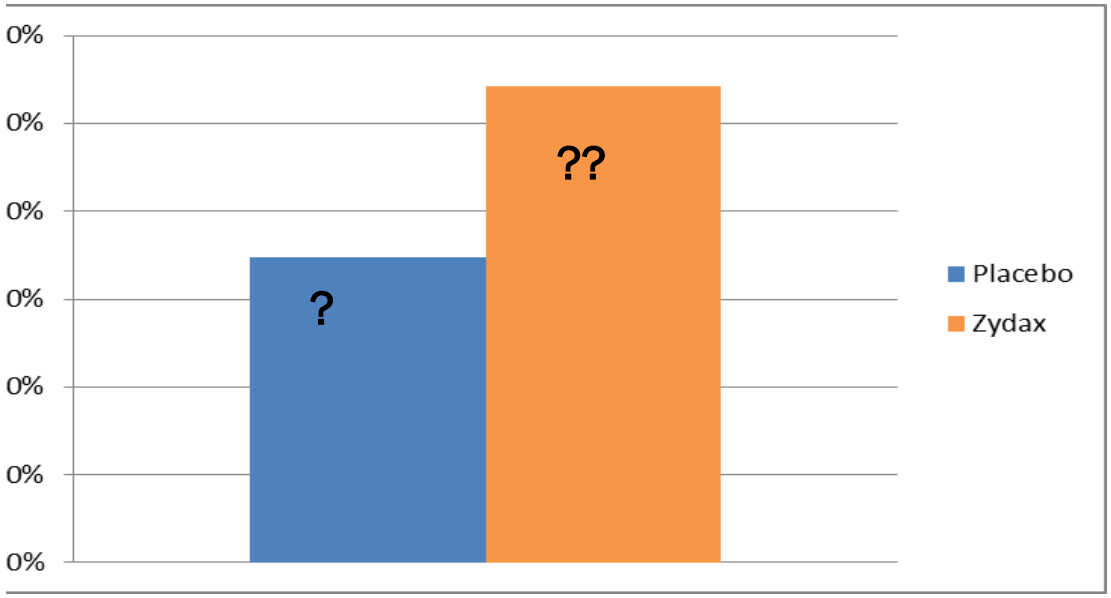
Pilot Efficacy Clinical Trial Outcomes

- Efficacy trial results: Percentage of dogs that had a >40% reduction in Pain and Interference caused by OA (Total Clinical End Point)



Pivotal Efficacy Clinical Trial

- ~315 dogs
- ~ 20 Clinical sites (USA & AU)
- Efficacy Assessment model: CSOM
- GCP (Gold Standard design)
- Results….. June 18, 2015!
- More clinical trials to come
  - ZYDAX – GLYDE study
  - Durability study
  - Prevention study
  - MOA studies
  - Cat studies
  - Human studies



Upcoming Milestones

2015 Major Milestones and Catalysts

- Inaugural Investor and R&D Day – June 18, 2015
  - New York Palace Hotel, 8:30am
  - Webcast available
  - Release of Zydax Clinical Trial Results
  - Communication of Global launch plans for Zydax and Glyde
  - Detailed development plans for new product pipeline
- Filing of Zydax registration dossier with FDA and EMA
  - July, 2015
  - Expect approval to take ~12 – 15 months
- Zydax Co-marketing (EU) deal announcement
- First-half financial results – August 2016

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