

Certain U.S. Federal Income Tax Information for Former Shareholders of Realm Therapeutics plc

The following discussion is a summary of certain U.S. federal income tax considerations relevant to former shareholders of Realm Therapeutics plc (“**Realm**”) who were U.S. Holders (as defined below) and who, pursuant to the scheme of arrangement under Part 26 of the U.K. Companies Act 2006 in which ESSA Pharma Inc. (“**ESSA**”), acquired all the outstanding shares of stock of Realm (the “**Scheme**”), exchanged their shares of stock in Realm or ADSs in Realm, as applicable, for shares of stock in ESSA and, if applicable, cash received in lieu of a fractional ESSA share. Unless otherwise defined herein, capitalized terms and expressions used in this announcement shall have the meanings given to them in the scheme document prepared by Realm dated May 29, 2019 (the “**Scheme Document**”). This summary is not a comprehensive description of all tax considerations that may be relevant to any particular holder. It addresses only U.S. Holders who held their Realm Shares or Realm ADSs as capital assets (generally, property held for investment purposes) and use the U.S. dollar as their functional currency. It does not address the tax treatment of Realm Scheme Shareholders subject to special rules, such as banks, dealers, traders in securities that mark-to-market, insurance companies, tax-exempt entities, regulated investment companies, real estate investment trusts, individual retirement accounts and other tax-deferred accounts, persons that at any time have held ten per cent. (10%) or more of the stock of Realm (directly, indirectly or constructively) or following completion of the Acquisition held five per cent. (5%) or more of the stock of ESSA (directly, indirectly or constructively), U.S. expatriates, persons holding Realm Shares or Realm ADSs as part of a hedging, straddle, conversion, integrated, constructive sale or constructive ownership transaction, persons whose Realm Shares or Realm ADSs were received in connection with the performance of services, partnerships (or other entities or arrangements treated as partnerships for U.S. federal income tax purposes) and partners in such partnerships or persons liable for the alternative minimum tax. This summary does not address U.S. estate or gift tax, state and local tax, the Medicare tax on net investment income and non-U.S. or other tax considerations. Realm Scheme Shareholders who are subject to special provisions, including Realm Scheme Shareholders described above, should consult their own tax advisors regarding the tax consequences of the Acquisition and the ownership and disposition of New ESSA Shares to them. This summary is for general information only; it is not a substitute for tax advice. This summary is a supplement to, and should be read in conjunction with, the section of the Scheme Document under the heading “United Kingdom and United States taxation – United States taxation.”

This summary is based on the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date of this document and all subject to change at any time, possibly with retroactive effect. We have not requested, and do not intend to request, a ruling from the IRS with respect to any of the U.S. federal income tax consequences described below. There can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and describe in this document.

As used in this summary, a “U.S. Holder” is a former Realm Scheme Shareholder who was a beneficial owner of Realm Shares or Realm ADSs who, for U.S. federal income tax purposes, is (i) a citizen or individual resident of the United States, (ii) a corporation (or other

entity that is classified as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (A) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (B) the trust has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership (or equity holder in any other pass-through entity) that holds Realm Shares or Realm ADSs (and, after the Acquisition, of New ESSA Shares) will depend on the status of the partner (or equity holder) and the activities of the partnership (or other pass-through entity). Partnerships (and other pass-through entities) should consult their own tax advisers concerning the U.S. federal income tax consequences to their partners (or equity holders) of participating in the Acquisition.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL REALM SCHEME SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE ACQUISITION INCLUDING THE APPLICABILITY AND EFFECT OF US STATE AND LOCAL, NON-US OR OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Tax Considerations for U.S. Holders Relating to the Scheme

As discussed in the Scheme Document under the heading “United Kingdom and United States taxation – United States taxation – Tax Considerations for U.S. Holders Relating to the Scheme,” the Acquisition was expected to be a taxable event for U.S. federal income tax purposes unless the Acquisition and any additional equity financings by ESSA are treated as an integrated transaction for U.S. income tax purposes. The Scheme Document provided that ESSA intended to use commercially reasonable efforts to determine, on or before March 1, 2020, whether the Acquisition qualified as a transaction described in Section 351 of the Code.

Treasury Regulations generally provide that two otherwise separate stock issuances by a corporation will be integrated for purposes of section 351 of the Code if the rights of the parties to both such issuances have been previously defined and the execution of the agreement proceeds with an expedition consistent with orderly procedure. Although ESSA raised funds through an equity financing that closed on August 27, 2019, ESSA does not believe that the rights of the parties to such equity financing were sufficiently defined prior to the Acquisition to satisfy this standard. As a result, ESSA does not believe that the Acquisition qualifies as part of an exchange described under Section 351 of the Code. There can be no assurance, however, that the IRS or a court would agree with this conclusion. Former Realm Scheme Shareholders and Realm ADS Holders should consult their own tax advisors as to the consequences applicable to them if the Acquisition were to be treated as part of an exchange described under Section 351 of the Code.

Assuming that the Acquisition is a taxable exchange for U.S. federal income tax purposes, as discussed in more detail in the Scheme Document, each U.S. Holder recognized

gain or loss with respect to its Realm Shares or Realm ADSs, measured by the difference between the amount of consideration (including any cash for received by a U.S. Holder for fractional shares) paid to such U.S. Holder and such U.S. Holder's adjusted tax basis in its Realm Shares or Realm ADSs, as applicable. For this purpose, ESSA believes that the fair market value of the New ESSA Shares received in the Acquisition was US\$2.38 per New ESSA Share, although no assurance can be given that the IRS or a court would agree with that determination.

More information can be found in the Scheme Document under the heading "United Kingdom and United States taxation – United States taxation."