

Cre enzyme delivery provides further validation and strategic value

PERTH, Australia, 2 March 2018: Phylogica Limited (ASX:PYC) (**Phylogica** or the **Company**), developer of a unique platform to deliver drugs into cells, has delivered new proof of concept cargo, Cre, a well validated recombination enzyme routinely used in biological research.

The proof-of-concept delivery of Cre is an important step in establishing an *in vivo* system to determine where in the body a drug cargo goes with Phylogica's FPP delivery technology. The Cre system induces a colour change in cells and organs (e.g. green to red) upon successful delivery of the functional Cre enzyme.

Phylogica has shown the successful delivery of Cre using its FPP technology into kidney cells *in vitro* (refer to Figures 1.a and 1.b below). This provides further validation of the functionality of Phylogica's FPP technology *in vitro*.

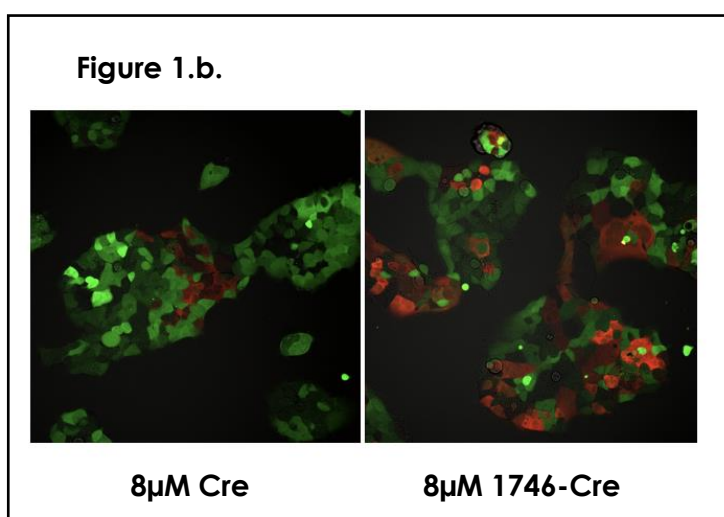
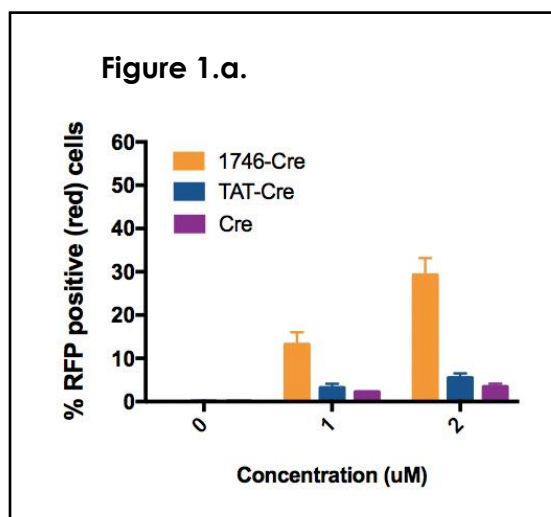


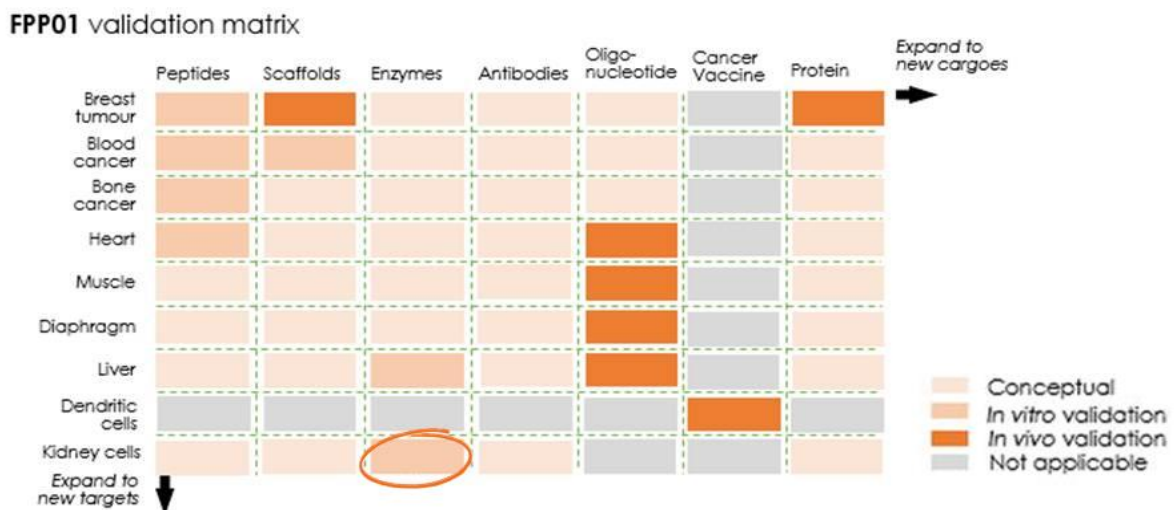
Figure 1.a. Compares the delivery of FPP1746-Cre (orange bars) with Tat-Cre (blue bars) and Cre (purple bars) at two different concentrations (1 and 2 μM ; increased bar height corresponds to increased percentage of red cells). The results show increased delivery with increasing concentrations, minimal activity when cells are treated with Cre alone and more efficient delivery of Cre using FPP1746 compared to TAT.

Figure 1.b. Live confocal microscopy images of kidney cells turning from green to red upon successful delivery of Cre using FPP1746 (right panel) compared to Cre alone (left panel).

Dr Robert Hayes Phylogica's Chief Scientific Officer said, "Through the Cre system, we will be able to determine where our FPPs, and the cargoes attached to them, end up in the body. The Cre system will significantly reduce testing time, cutting in half the current testing regime to determine where in the body a FPP is taking the biologic cargo. This work also shows that the FPP1746-Cre gets into the nucleus of the cell. This data is important to companies that are working in the highly competitive area of gene editing technologies, such as CRISPR/Cas9."

Phylogica CEO Stephanie Unwin commented, "Successful delivery of a Cre cargo is a great result for our company, and does three important things. First, it demonstrates that we can deliver an enzyme into kidney cells *in vitro*. Secondly, it is a significant step achieved for our team ahead of using the live animal system for testing the delivery of drugs into the body, and gives potential Pharma customers the confidence that Phylogica can deliver their drugs in a targeted way. Thirdly, our data once again shows clear outperformance of FPPs over the current delivery standard TAT, with over 50% more uptake into cells using our technology."

Figure 2: Phylogica's FPP validation matrix updated with most recent Cre enzyme delivery into kidney cells (circled).



ENDS

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About Phylogica

Phylogica Limited (ASX: PYC) is a biotech company focused on commercialising its intracellular drug delivery platform and panning its Phylomer libraries to identify drug cargoes for development against a wide range of disease targets. Phylogica controls access to the world's most structurally diverse source of peptides called Phylomers, which have the ability to act as effective drug delivery agents and drug cargoes, penetrating cell walls to reach previously 'undruggable' targets across a range of disease types. Phylogica's platform of proprietary cell penetration peptides is showing promise in delivering a diverse range of drug cargoes into cells, and the company's lead asset program has identified a Phylomer which can inhibit Myc, a protein responsible for the regulation of cancer cell growth. The company has had collaborations with several pharmaceutical companies including Roche, Medimmune, Pfizer, Janssen and currently with Genentech.

Forward looking statements

Any forward-looking statements in this ASX announcement have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside Phylogica's control. Important factors that could cause actual results to differ materially from assumptions or expectations expressed or implied in this ASX announcement include known and unknown risks. Because actual results could differ materially to assumptions made and Phylogica's current intentions, plans, expectations and beliefs about the future, you are urged to view all forward-looking statements contained in this ASX announcement with caution. Phylogica undertakes no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.

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