PHYLOGICA

BREAKTHROUGH PEPTIDE THERAPEUTICS

ASX ANNOUNCEMENT

Collaboration Agreement – siRNA delivery

Delivering drug cargoes across cell membranes is the major challenge in the development of a revolutionary new class of drugs. Cell Penetrating Peptides (CPPs) can overcome this challenge and provide access to the 'undruggable genome' – the highest value drug targets that exist inside cells. Phylogica (ASX:PYC) owns the world's most structurally diverse peptide library and is using these libraries to identify a new generation of highly efficient CPPs.

14 March 2019:

Highlights:

1. Phylogica has entered into a Research and Development Collaboration with Ramot, the Business Engagement Center at Tel Aviv University to further develop the research of Professor Dan Peer of Tel Aviv University in Israel.

2. Professor Peer is a leader in the field of Lipid NanoParticle Delivery (LNP) systems

3. The Collaboration will evaluate the complementarity of Phylogica's Cell Penetrating Peptide (CPP) platform with LNPs in the delivery of small interference RNA (siRNA) therapeutics – a major area of commercial interest for Phylogica

Collaboration Agreement details

Delivery of siRNA inside cells is an area of substantial commercial interest to Phylogica's prospective pharmaceutical and biotechnology partners. siRNA represents a very attractive cargo class for intracellular delivery due to its precision and potency.

One of the challenges with siRNA as a cargo class is its negative charge – leading to both weak intrinsic cell penetrating ability and problematic electrostatic interactions with positively charged delivery vehicles. An attractive proposed methodology for overcoming this challenge is to insulate the negatively charged siRNA cargo from positively charged Cell Penetrating Peptides (CPP) using a Lipid NanoParticle (LNP) coating.

Phylogica is pleased to announce a collaboration with a leading global expert in LNPs – Prof. Dan Peer from the Tel Aviv University in Israel. The Collaboration will aim to evaluate the complementarity of utilising CPPs and LNPs in the delivery of siRNA to tissues outside of the liver.

The Collaboration is consistent with Phylogica's stated strategy of focusing internal resources on the flagship Anti-Sense Oligonucleotide (ASO) program whilst advancing alternative applications of our CPP platform through collaborative efforts. This Collaboration forms a distinct

approach to nucleic acid delivery to our flagship ASO program and the majority of the work will be conducted in Prof. Peer's laboratory in Tel Aviv accordingly.

Dr, Katrin Hoffmann, Phylogica's Director of Research commented: "RNAi therapeutics have great potential but delivery beyond the liver remains a key challenge. We are excited to work together with Dan Peer, a leading expert in the systemic delivery of siRNA using targeted nanocarriers. This collaboration will provide important proof of concept data towards the delivery of siRNA/LNPs using our CPPs to develop more potent and safe RNAi therapeutics".

ENDS

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About Phylogica

Phylogica Limited (ASX: PYC) is a biotech company focused on commercialising its intracellular drug delivery platform and screening its peptide 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 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 penetrating peptides has been validated across multiple animal models for the ability to deliver a diverse range of drug cargoes into cells. The company has collaborations with several pharmaceutical companies including Roche, Medimmune, Pfizer, Janssen and Genentech.

About Ramot at Tel Aviv University and the Momentum Fund

Ramot is the Business Engagement Center at Tel Aviv University, Israel's largest research and teaching university.

Rooted in both academic and corporate arenas, Ramot is uniquely positioned to cultivate the special relationships between these two compelling worlds, creating win-win connections that support fertile, ground breaking research while providing companies with discoveries that give them a crucial competitive edge.

The Momentum Fund, is the most recent of Ramot's funds to become operational. This fund offers around one-million-dollar funding for translational research technologies at Tel Aviv University in a wide range of fields, including pharmaceuticals, healthcare, high-tech and the physical sciences.

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.

This ASX announcement should not be relied on as a recommendation or forecast by Phylogica. Nothing in this ASX announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

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