

Phylogica strategic update – 'Pivot to Platform'

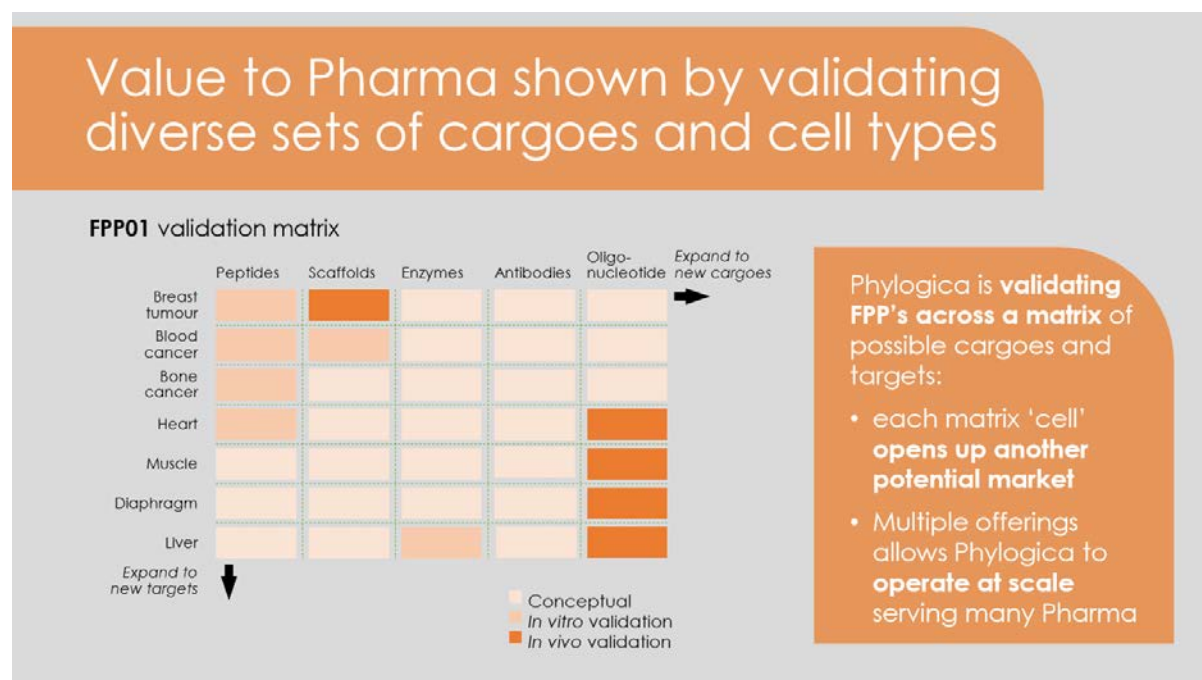
PERTH, Australia, 4th December 2017: Phylogica Limited (ASX:PYC) (**Phylogica** or the **Company**), developer of a leading intracellular drug delivery platform technology, is pleased to provide a strategic update to the market.

As part of the 'Pivot to Platform' announced 24 November 2017 ([link here](#) to presentation) Phylogica will de-prioritise all internal product development programs including the company's iMyc, Stat5 and YB1 programs in favour of the commercialisation of the Company's FPP intracellular delivery technology. This decision provides a defined and shorter path to value creation for shareholders through focusing resources on the FPP delivery technology.

Strategic priorities

The company's key objective in 2018 is to significantly expand the validation of the FPP intracellular delivery technology and its ability to carry a diverse range of cargo types into different tissue and cell types, both *in vitro* and *in vivo* (see Figure 1). Demonstrating efficacy of different FPP-cargo conjugates in an animal model (*in vivo* validation) and the delivery of therapeutically relevant cargo classes, *in vitro* and *in vivo* represent significant milestones on the path towards commercialisation of a delivery technology. Realisation of these milestones hold significant interest to Phylogica's prospective Pharmaceutical industry partners.

Figure 1



Phylogica aims to generate *in vivo* efficacy data for the following cargoes in 2018:

- Immunotherapy peptide vaccine;

- antibodies;
- gene editing technology;
- anti-microbial peptides;
- Cre-recombinase;
- CRISPR/Cas9.

Successful delivery of these cargoes will demonstrate the ability of the FPP delivery technology to carry a diverse range of cargoes (including: proteins, antibodies, enzymes, gene-editing technology, immunotherapy vaccine cargoes and antimicrobial peptides) inside the cell. The cargoes have been selected with two objectives in mind:

- 1) Providing in vivo proof of concept for the FPP delivery technology; and
- 2) Identifying areas of high value/interest to prospective partners

FPP-iMyc update

Prior to the strategic review, the FPP-iMyc product was intended to form part of the validation matrix for the company's platform (see the 'peptide' cargo and 'breast tumour' and 'blood cancer' target cells represented in the matrix in Figure 1).

As part of the strategic review, the Board has determined that the significant further cost and internal resources required to further optimise the drug-like properties of the FPP-iMyc candidates will not be funded internally. However, the company will continue the iMyc program under the NHMRC grant received for this purpose (conducted externally) which includes *in vivo* validation studies. The Company is actively looking to out license the program as part of its strategy to concentrate on the delivery platform rather than single asset drug development.

Next steps on FPP delivery platform

The in vivo data for the cargo classes described above (under 'strategic priorities') will be available and announced to the ASX across the first half of 2018 with our first cargo results due to be released in time for Biotech Showcase in January 2018.

For additional information on Phylogica's strategy and platform direction, please view the recent interview with CEO Stephanie Unwin [here](#).

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.. The company has had collaborations with several pharmaceutical companies including Roche, Medimmune, Pfizer, Janssen and is currently working with Genentech.

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