



*ASX Limited
Market Announcements Office*

Phosphagenics Expands License Agreement for TPM[®]/Diclofenac Gel

18 May 2016, Melbourne: Australian biotechnology company, Phosphagenics Limited (ASX: POH; OTCQX: PPGNY), today announced that it has expanded its existing agreement with Themis Medicare Limited for its TPM[®]/Diclofenac gel, to include an additional 16 geographical markets.

Under the original agreement signed in 2011, Themis was granted exclusive rights to TPM[®]/Diclofenac gel in India alone. The expanded agreement provides Themis with territorial rights to the TPM[®]/Diclofenac gel in 16 additional markets across three continents, including Armenia, Belarus, Georgia, Kazakhstan, Kenya, Kyrgyzstan, Moldova, Philippines, Rwanda, Sri Lanka, Tanzania, Turkmenistan, Uganda, Ukraine, Uzbekistan and Vietnam.

Under the terms of the amended agreement, Themis will pay Phosphagenics an undisclosed upfront fee and additionally royalty payments on sales in line with those specified in the original agreement. Themis expects to apply for marketing authorisations to launch the product in these markets over the next few years.

Dr Alex Stojanovic, Phosphagenics' VP of Business Development, said "Themis has been an enthusiastic partner during the past several years, and has gained valuable experience with commercialising TPM[®]/Diclofenac gel in India. We look forward to working with Themis to increase the revenue potential of this product as we build a substantially increased geographic footprint."

In 2014 Themis launched the product under the brand name, Instanac[®] TPM gel, while Novartis launched the same product under the brand name, Voveran[®] TPM gel.

Phosphagenics' CEO and Managing Director, Dr Ross Murdoch, added, "Our TPM[®]/Diclofenac gel has been well accepted by physicians and patients in the Indian market and creates a solid blueprint for expansion into new markets. Phosphagenics will be working closely with Themis Medicare to understand how to do so in the best possible mutually beneficial and timely manner."

TPM[®]/Diclofenac gel is a topical non-steroidal anti-inflammatory drug indicated for the treatment of pain and inflammation of the muscles and joints caused by osteoarthritis, soft tissue rheumatism, and injuries such as sprains and strains.

Phosphagenics was advised on this licensing transaction by Aagami Inc.

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About Phosphagenics

Phosphagenics Limited is focused on developing and commercialising innovative Human Health, Animal Health and Personal Care products using its proprietary drug delivery system called TPM[®] (Targeted Penetration Matrix). TPM[®] is derived from Vitamin E using a unique, proprietary and patented process and has been proven to enhance the solubility and oral, dermal and transdermal absorption of drugs and nutrients. Amongst its major projects, Phosphagenics is developing TPM[®] enhanced oxymorphone and oxycodone patches for the treatment of pain.

Phosphagenics' shares are listed on the Australian Securities Exchange (POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (PPGNY).

Inherent Risks of Investment in Biotechnology Companies

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology.

Forward-looking Statements

Certain statements in this announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services.

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