ASX Limited
Market Announcements Office

AGM Chairman's Address and CEO Presentation

25 May 2018, Melbourne: Attached is the Chairman's address together with the CEO's presentation to the Annual General Meeting of Phosphagenics Limited (ASX: POH, OTCQX: PPGNY), to be held at 9.30am today.

Enquiries

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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® (Tocopheryl Phosphate Mixture). 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 patches, gels and injectable products for the human health market and is also developing TPM® to enhance the feed efficiency and health of livestock.

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).

www.phosphagenics.com

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.

www.phosphagenics.com

Chairman's Address

Annual General Meeting

25 May 2018

Good morning everyone,

I am pleased to welcome you here today to the Phosphagenics Annual General Meeting – my second as Chair of the Company.

Under the very capable leadership of Dr Ross Murdoch, we have undertaken a company restructure to align the business on three key areas of focus: Human Health, Animal Health, and Personal Care.

This has resulted in a leaner, more focused business. The cash burn has been substantially reduced, and we have continued to deliver on important business milestones.

This has been achieved, while also working tirelessly to ensure we put forward the strongest possible case in our arbitration against Mylan.

I want to touch on this first, because I know that shareholders are waiting for news on the outcome. We have very recently been advised by the Singapore International Arbitration Centre (SIAC) that they will provide an update to both parties during the week beginning 4th June. No further detail is available at present.

We put forward a strong case, at the hearing itself back in October, 2017 and we must wait for an outcome. Whatever the outcome, we believe it was a necessary course of action – to protect the years of effort and funds that were committed to developing our technology and associated IP.

As you are aware, it is our intention to return a portion of the damages awarded in the Mylan case and we will share further details on this once we know the outcome and quantum of damages to be awarded.

This is in recognition for the long-standing support of many of investors, and the new investors who came onto the register during our recent capital raise, which provided a further $4.7million in funding to provide working capital to support our operations.

I would sincerely like to thank our shareholders for their support throughout this period, particularly the new and existing shareholders who came into support the capital raise.

Operational Highlights

With the Mylan arbitration completed, the Board and Management team has been able to restore 100% focus on the core business. So quite fittingly, Ross' presentation is going to be forward looking and take you through our outlook for the year ahead.

So, I will leave that to Ross and I want to spend a few minutes looking back over what has been achieved this past year.

Our strategy is to extract value from our existing technology portfolio through investment in R&D and working with quality partners to advance the commercial development, and generate revenues by providing access to our technology.

Human Health

Terumo Partnership

One of the partnerships that has been most valuable is the alliance with Japanese pharmaceutical company Terumo. Through this partnership over $2.5 million has been invested in R&D and the research has generated over $1 million in revenue by way of milestone payments. The result has been significant technical advances that will be applied to our portfolio

As you are aware, Terumo did not decide to take the 1-day TPM®/Oxymorphone patch to clinical trials in Japan– quite simply, this was a commercial decision, not a reflection on the technology itself. While significant patch improvements were made, it was mutually decided that it was unlikely that a patch could be developed in a suitable timeframe that could satisfy all of Terumo's specific requirements for the Japanese market.

By applying the technical advances from the R&D program with Terumo, we now have an improved three day patch to take to the global market. Next steps will include further discussion with the US Food and Drug Administration, while we concurrently progress discussions with potential commercial partners.

The partnership with Terumo now continues focused on Propofol and additional opportunities from our growing portfolio of injectable drugs. We are currently working with Terumo to find candidates that fit their requirements for advancement through to clinical development.

Ross is going to talk to you today in much more detail about the injectable portfolio.

Production and Personal Care

We have also had some important positive developments in the production and personal care unit, which should put us back on track to realize revenues from this business during the current financial year.

After a period of low activity, our global distribution partner, Ashland, has commenced reordering. They had built up excess stock of Vital ET®, but they have now worked through this inventory and relaunched the product. We have already received firm orders from them for over $1m of Vital ET® in 2018.

We have secured an exclusive agreement with Rodan + Fields, an internationally renowned skincare brand, for the use of TPM® in proprietary personal care products in USA, Canada, Australia, Japan and South Korea. They are currently running tests to see how TPM® will be applied to their product range to enhance their products.

We also completed the sale of the BioElixia® brand to Pure Beauty Australia, quickly following the completion of the ProPhase arbitration and in line with our stated strategy.

Animal Health

We were very pleased to have completed a second study in poultry during the year – this study confirms earlier positive findings that TPM® can improve performance in feed efficiency and growth. This is also in line with the positive findings of the studies conducted in newly weaned pigs – and combined, these findings create a compelling commercial proposition.

With this data package supporting the potential commercial value of TPM® as a feed additive, our focus for animal health is now on finding a commercial partner to take the product to market. We are continuing discussions with a number of large animal health companies.

We also completed our dairy cattle study late last year, which was designed to assess whether TPM® could promote improved milk quality and fertility. A key difference in this study, compared to earlier studies, was that TPM® incorporated into a pelleted feed (which is more attractive for use in the dairy industry) – and the outcome was that the dose and form of TPM® did not replicate in this study the successful outcomes we had previously seen with an oral drench. There is more work to be done to optimize the dose and delivery method of TPM for ruminants (animals with multiple stomachs), and we will look to seek a development partner to continue this line of enquiry.

Closing remarks

We have had a number of important wins this year, we have put a lot of legacy issues behind us and we have a selection of high quality partners who see the value in our technology.

Over the next year we will look to continue to build on this – advancing our existing partnerships and seeking new development partners in human heath, and bringing new candidates to the fore, via our internal R&D program.

We are also looking at assets or opportunities that sit outside our existing portfolio, which would complement and enhance the business to date. I believe we have a team who has the expertise to identify and advance such an opportunity to complement our internal pipeline.

I would personally like to thank Peter Lankau, who retires as a non-executive director effective the end of this meeting, for his considerable contribution and commitment over his three years with the Company. The Board wishes him well in his future endeavors.

Finally, I would like to congratulate Ross and his team, for their commitment, hard work and discipline in moving Phosphagenics forward and I would of course like to thank our shareholders for being here today and for their support.

25 May 2018, Melbourne, Australia:

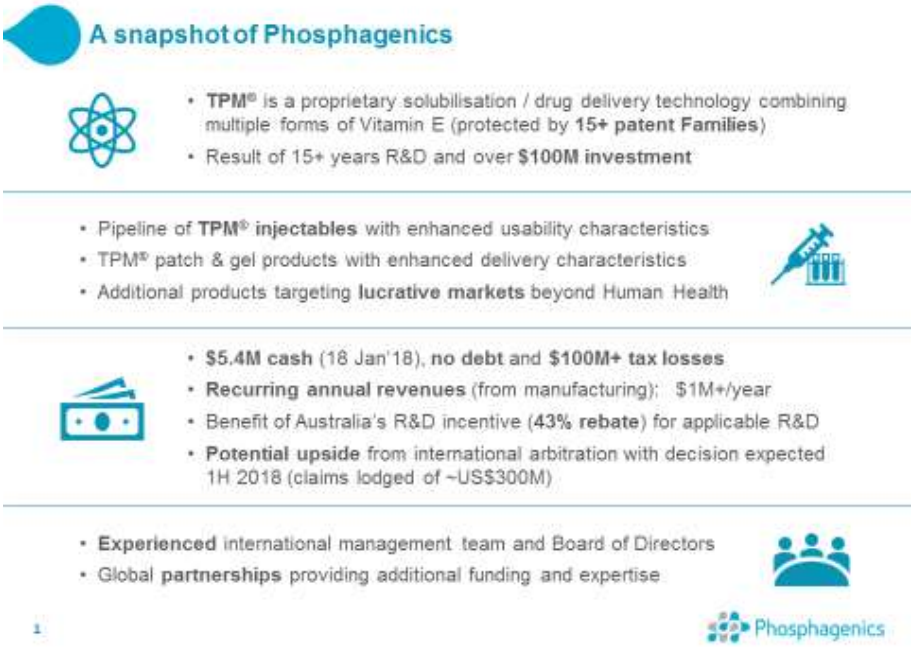
AGM – CEO Address

Good morning, I would also like to say “thank you” for coming today. I hope you find this morning informative and that you are encouraged by the progress we have made over the past 12 months. I also hope I can fill you with the “confidence” I have for the company and its prospects moving forward.

Just this week I read a public comment written by a shareholder referring to the recent increase in interest in Phosphagenics stock and share price. To paraphrase the comment it said “to drive this interest I must have shown something during my road trips that current shareholders haven’t seen.” This is most certainly not the case but it got me thinking - maybe our longer-term shareholders don’t see the same opportunities in Phosphagenics as those looking at the company with new eyes.

Given this I decided to use slides from my investor roadshows as the basis of my AGM update today.

I believe that new and potential investors see the “Phosphagenics of today” as an improved and attractive investment. We have resolved multiple legacy issues, tightened spending, reduced overheads, expanded our partnerships and portfolio, enhanced IP protection and improved the margins on the products we manufacture.



The Phosphagenics of today is fiscally responsible with a well characterized proprietary technology and a management team and Board capable of extracting the considerable value existing within that technology.

Phosphagenics is a company with:

- a proprietary technology capability of enhancing the solubilization and drug delivery of important drugs and nutrients;
- a technology well protected through a strong, well managed patent portfolio;
- a technology built on over 15 years of R&D and $100M investment; and
- a technology flexible enough to be exploited across 3 businesses covering 4 portfolios

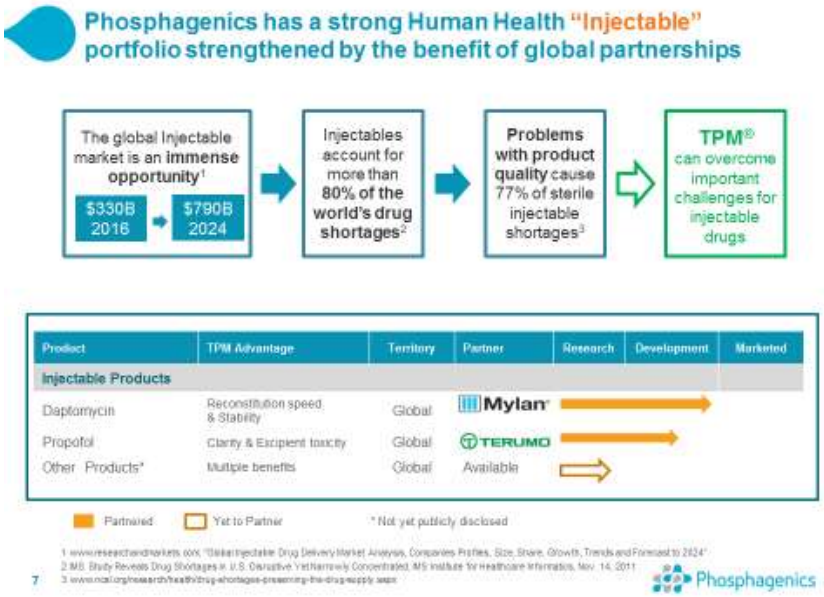
Phosphagenics is a rare opportunity for investors in the biotech space as we have:

- 12 months of forecast cash combined with a growing stream of recurring, non-dilutive revenue in excess of $1M per year;
- no debt;
- over $100M in tax losses; and
- the potential for a further substantial upside from the Mylan arbitration.

We have a demonstrated track record of milestone delivery and a business model that embraces global partnerships to fund and develop our assets.

Phosphagenics' assets fall into 4 distinct areas:
Injectables, Pain products, Animal Health and Personal Care.

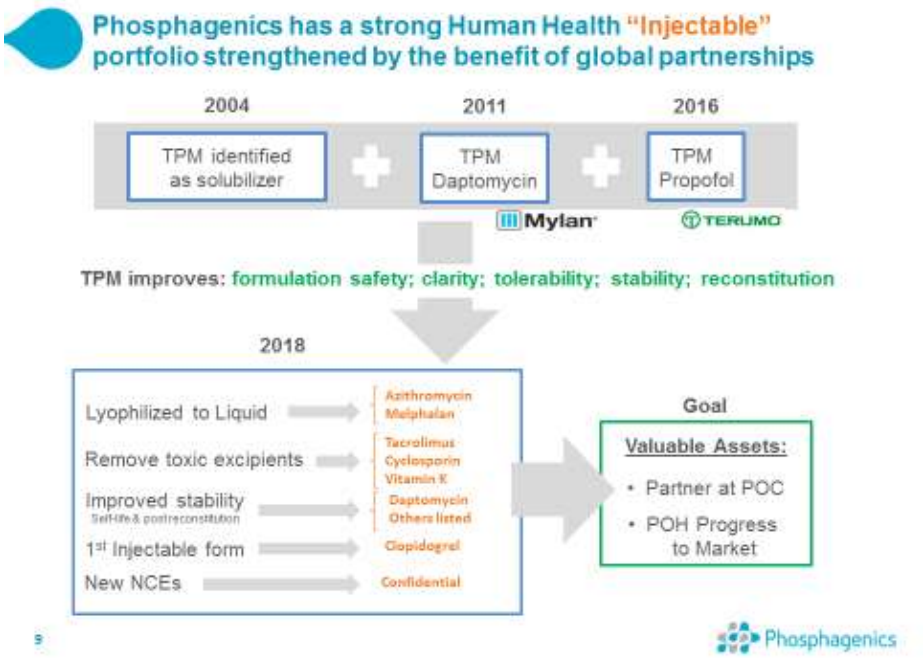
When I joined Phosphagenics, just over three years ago, I saw a company clearly focused on exploiting TPM® in transdermal drug delivery – a focus that gave us both the Pain and Personal Care legacy portfolios. But as I looked forward, I saw injectables as providing the next compelling opportunity for TPM, and over the last 12-24 months we have really begun to deliver. Because of the momentum in this area I have decided to concentrate much of today's talk to our growing effort in the injectable space.



The injectable market is exceptionally large and growing (expected to get close to $800B in 6 years) and it has some clear opportunities for us. It accounts for more than 80% of all drug shortages – many related in one way or another to poor formulations and poor product quality.

Many drugs administered by injection are difficult to dissolve (solubilize), and the harsh ingredients required to solubilize them actually end up restricting their use and increasing their toxicity.

We have already demonstrated in TPM®/Daptomycin and TPM®/Propofol that TPM® has the capability to overcome challenges in injectable drugs including the replacement of problematic excipients: capabilities that are already validated in external partnerships and multiple patents. But TPM®/Daptomycin and TPM®/Propofol are really just the beginning……

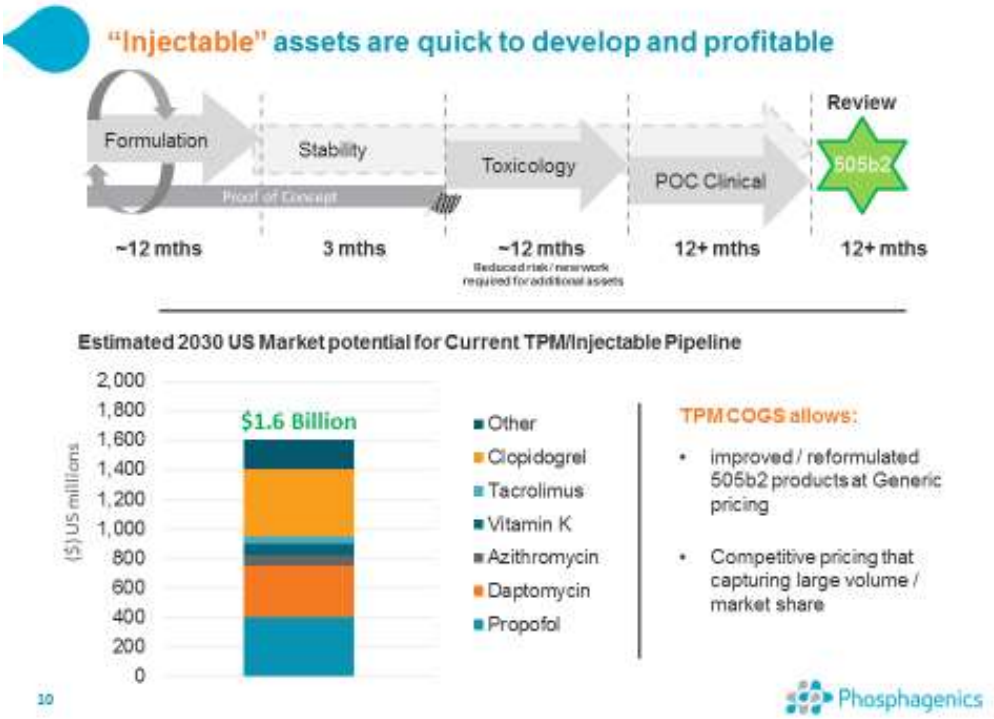


The learnings from TPM®/Daptomycin and TPM®/Propofol have allowed our scientists to develop multiple other TPM® based formulations with the potential of improved formulation safety, clarity, tolerability, stability and reconstitution characteristics.

We have focused our injectables program into 5 streams each addressing significant unmet needs and opportunities:

1. Developing liquid formulations for drugs previously requiring lyophilization (freeze-drying) eliminating problems associated with reconstitution (a key problem for many drugs);
2. Developing safer and more user friendly formulations by replacing toxic or allogeneic ingredients (such as cremophor and lecithin);
3. Developing TPM® formulations with improved stability (TPM®/Daptomycin is a key example of this)
4. Using TPM® to allow the creation of an injectable form of existing drugs where none has previously been possible. and
5. Using TPM® in the development of valuable novel injectable drugs that Phosphagenics partner or acquired from university labs, technology transfer offices or other biotechs etc.

Ultimately we aim to develop a balanced portfolio of enhanced injectable products – some to partner early and some to can keep through to the market (these I would call our business builders).

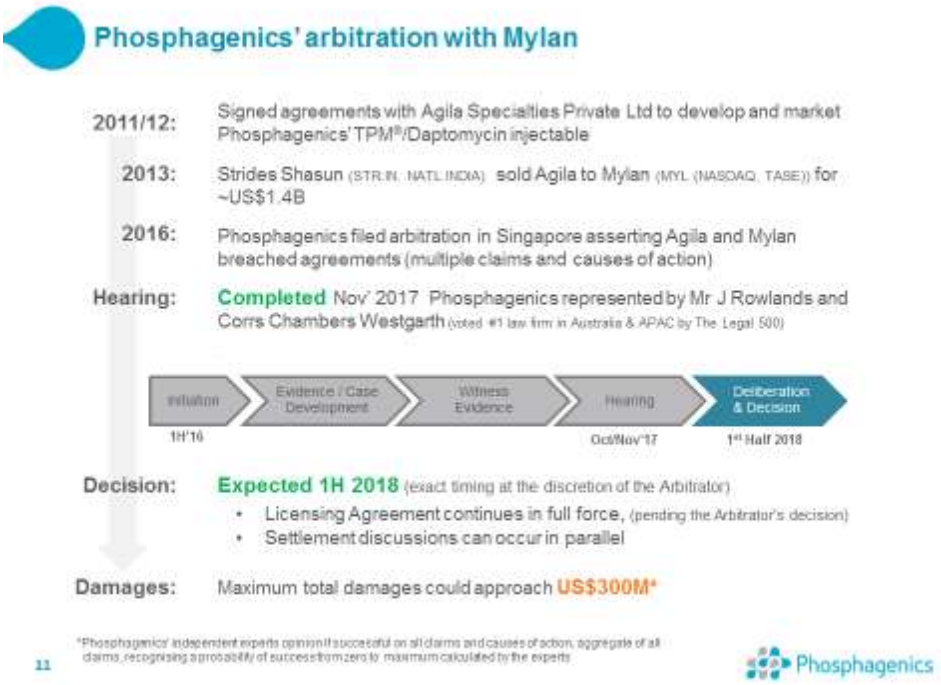


We have initially concentrated our efforts on existing generic drugs. This is for 2 key reasons:

- typically the pathway for this type of 505(b)2 development (at least in the US) is very quick as you can see here (around 2 years once initial stability has been proven) and
- as the drug substance is already approved we do not need to repeat many of the studies typically needed for approval of a novel drug, greatly reducing the time and cost of development.

We believe that the US market potential for the first group of targeted products is potentially in excess of $1.5B.

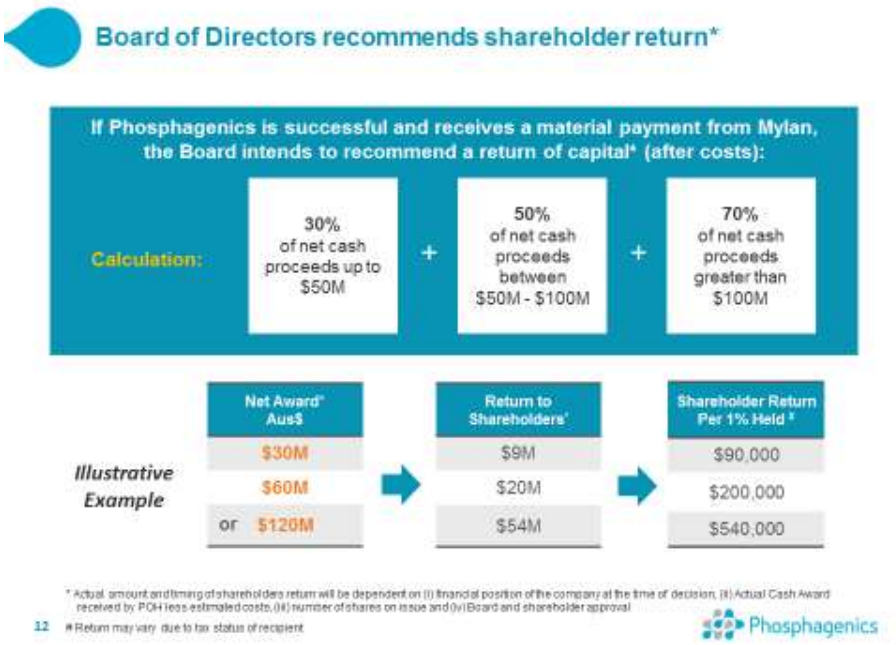
In parallel with this work, we are also continue our business development efforts with a range of potential partners interested in potentially licensing our TPM® injectables - including of course, Terumo.



While the great scientific insights arising from TPM®/daptomycin are exciting, I realize that it is the arbitration associated with the drug, or more precisely, any potential award associated with the Mylan arbitration, that is of most interest to shareholders at present.

As I stress each time I talk about the arbitration please be aware that details related to the proceedings remain confidential and we are only at liberty to disclose information when, and if, it becomes a requirement under the ASX disclosure rules - and despite many requests from shareholders to the contrary, this remains our position.

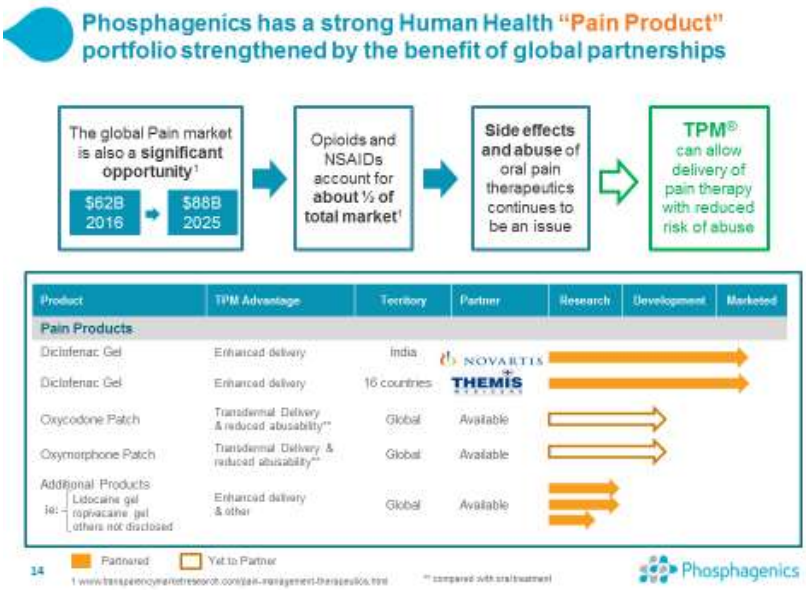
I realize that this slide is very familiar to most, if not all of you, so I do not intend to go through it again, but I will say, this arbitration has been an important and major undertaking for Phosphagenics and has required considerable internal resources and time particularly through 2017. I believe we have succeeded in putting forward the strongest possible case in this arbitration against Mylan.



Again, this slide has also been shown many times and so I won't go through it again. I will just emphasize that both Management and the Board remain convinced in the merits of pursuing this Arbitration on behalf of the Company and its shareholders, and the Board remains committed to recommending the previously announced "return of capital" to shareholders.

Now, as Greg said in his earlier address we await an update from SIAC (the Singapore International Arbitration Centre) during the week of 4th June.

Over the remaining few minutes I would like to briefly touch on the progress in other parts of Phosphagenics' portfolio.



Our Pain portfolio is made up of a number of innovative products:

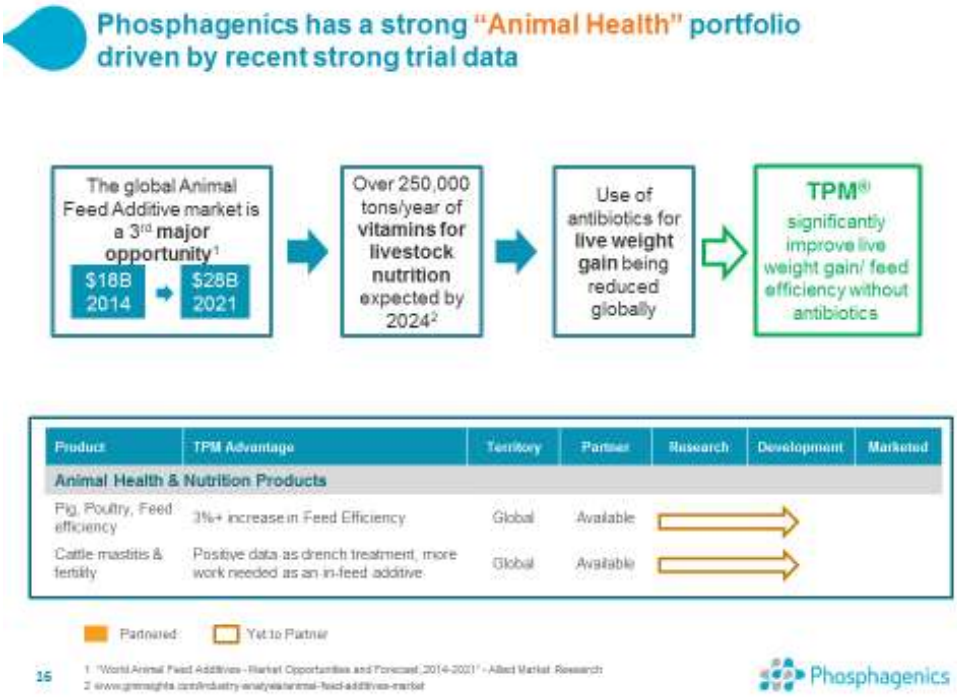
- the commercialized TPM®/diclofenac gel, now licensed for 17 countries
- 2 "world first" opioid patches, both backed by clinical evidence of performance, and
- a number of other products including a recent addition TPM®/ropivacaine. This was developed as an exploratory product with Terumo and, like the patches, is now available for global partnering.

The pain market remains substantial and the opportunity for opioid products with reduced abuse potential continues to grow. We, and our US regulatory advisors, believe that both of our patches can provide reduced abuse potential, and as such we are approaching the US FDA for a meeting to discuss this. We expect that we will have a response from the FDA prior to the end of 3 Qtr'18.

As part of the development agreement struck with Terumo, considerable work and resources were invested in the formulation and reformulation of the TPM®/Oxymorphone patch. While, in the end, it was not possible to satisfy all of Terumo's Japanese specific requirements, and this ultimately led to the mutual decision in March of this year not to continue, the investment in the Japanese focused single day patch has resulted in a much improved 3 day patch for markets outside Japan.

We are currently very active in looking for global partners for both opioid patches and believe that positive FDA feedback will greatly enhance that effort and the value of these assets.

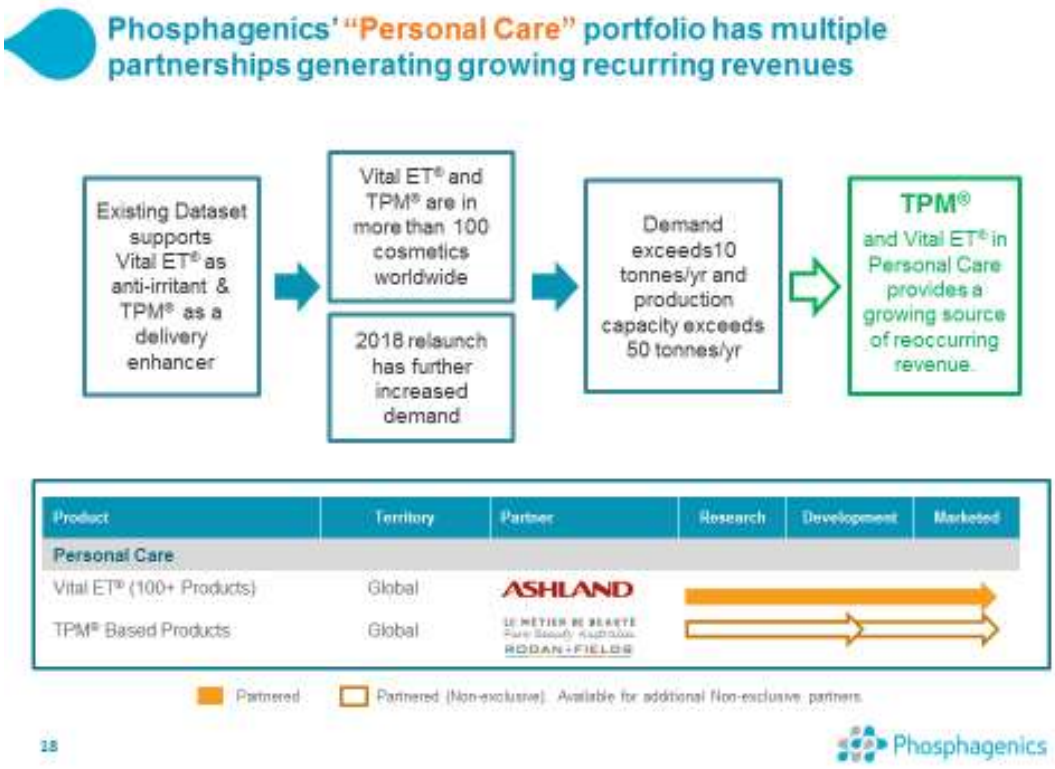
I believe Animal Health (in particular Animal feed and nutrition) provides Phosphagenics with an enormous opportunity to extract significant additional value from TPM®.



"Animal feed additives" are typically considered a high volume / low margin business, but improvements in our manufacturing process over the past 12 months have ensured that the margin on "TPM® suitable for feed" is robust and compelling. As the use of antibiotics for improving feed efficiency and growth is phased out over the coming years the drive to find price effective agents capable of improving weight gain and feed efficiency will continue to grow. We believe that TPM® is just such an agent – a claim we have supported with a number of well controlled trials and a suitably robust cost analysis.

Despite very positive results with TPM® in poultry and pigs, the results of the 12 month dairy cattle study announced earlier this year, indicate that more work will be needed to better understand how to utilize TPM® in ruminants. While this could be a very large market for TPM® if successful, we have made a strategic decision not to undertake any further work in dairy cattle until we secure an appropriate partnership or alternate funding.

Although Animal Nutrition is typically not centre-stage when shareholders think about TPM®, the potential has been recognized by the Animal feed industry and the results of our trials through the past 12-18 months have caught the eye of a number of the world's largest feed companies. We have at present no less than 3 companies actively undertaking due diligence – including conducting further confirmatory trials. We expect that this process will take some time but are hopeful that we can begin to monetize part or all of this business in a partnership by the end 2018 or early 2019.



The use of TPM® and Vital ET® in the personal care market continues to expand, providing a growing stream of recurring, non-dilutive revenue now in excess of $1M per year.

Our internal focus in this business remains firmly on quality, the protection of our IP, the lowering of our manufacturing cost and the expansion of our partnership network. In line with this over the past 12-18 months we have:

- filed new IP around an improved manufacturing process;

- made significant improvements that have resulted in improved margin;
- built additional partnerships with internationally successful companies such as Rodan & Fields; and
- worked with our Vital ET® global distribution partner Ashland to relaunch the product enhancing its attractiveness as a fundamental component for many new products.

We had hoped to see BioElixia® relaunched by this AGM. Pure Beauty Australia have assured me that they remain convinced of the value of the brand and focused on a relaunch. We look forward to seeing the products back on store shelves.

The last 12 months have been both busy and productive, and we have achieved significant milestones across all portfolios. While not all projects and not all deals succeed, and that is the nature of biotech, I do believe the successes we have had, significantly improve the potential for further success, future lucrative deals and reduce the risk of failure in the future.

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At the end of each investor presentation I use this slide to highlight the take-home messages: the same messages I hope you take home from this presentation.

- Phosphagenics is an exciting investment opportunity
- We have:
    - a validated technology flexible enough to be exploited across 3 complimentary yet separate businesses and 4 portfolios;
    - a number of commercialized products generating reoccurring annual revenues in excess of $1M;
    - a strong track record of delivery including resolution of a number of legacy issues over the past 3 years; and
    - cash, revenues, over $100M tax loses, no debt and tight fiscal management;

In addition we have the potential of a substantial award from the ongoing arbitration providing shareholders with the possibility of considerable further upside.

With that I would like to stop and thank you for your patience and support.

We have made a lot of progress this year and the fundamentals of the business continue to improve. I believe that we are now clearing the last of our legacy issues and moving forward positively and with purpose. And as I have said at the conclusion of each of my previous addresses - it remains my commitment to do all I can to regain value for shareholders and I believe we have made considerable progress towards this goal.

Thank you.