

Update on Capital Raising

11 September 2018: Phylogica provides the following update in relation to its current capital raising.

The capital raising:

- is being conducted at a price of 3 cents per share;
- is an excluded offer available to professional investors only and will introduce new sophisticated and institutional investors to Phylogica's register;
- is being supported by the Company's existing major shareholders; and
- will provide funding for three primary activities:
 - o Completing the screening of PYC's enriched drug libraries for 'second generation' Cell Penetrating Peptides (CPPs);
 - o Reaching a definitive read-out on the ability of PYC's CPPs to deliver a range of different therapeutic cargoes in therapeutic settings (either *ex vivo* or *in vivo*); and
 - o Advancing its flagship program through to an Investigational New Drug (IND) filing in order to enable 'first in human' studies utilising the company's CPPs.

The company expects to finalise the raising and resume normal trading prior to the end of this week.

Phylogica (ASX:PYC) is the owner of a peptide library containing the extraordinary richness and diversity of nature. We are using these libraries to develop a drug delivery platform capable of reaching the highest value drug targets located inside cells. Our delivery platform enables drug cargoes to cross the cell membrane and directly reach their target.

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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.

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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