PHYLOGICA

BREAKTHROUGH PEPTIDE THERAPEUTICS

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ALLOWANCE OF BROAD PHYLOGICA EUROPE PATENT FOR SCREENING CELLS TO IDENTIFY NEW TREATMENTS

PERTH, AUSTRALIA: 24th February 2015 – Phylogica Limited (ASX: PYC, XETRA:PH7), a leading Australian peptide drug discovery company, has received notice of the allowance in Europe for a patent application (#EP 1754052) **Peptide Modulators of Cellular Phenotype and Bi-nucleic Acid Fragment Library.** This new patent goes to the core of Phylogica's intellectual property and will be in force until 2025.

The invention provides a phenotypic method for screening Phylomers in mammalian cells and or whole organisms to identify new disease targets and to predict potential pathways of drug resistance. Another application of the screening technology also provides valuable structural information for the optimisation of peptide therapeutics, which have already shown to be functionally active in phenotypic screens

More specifically, the Phylomer libraries or variations of a peptide hit can be used to screen for peptides that can prevent cell death. Such phenotypic rescue screens are often used in the pharmaceutical industry to map disease pathways, identify novel disease-associated targets and to characterise their vulnerabilities for attack using drugs. Indeed, several of the most important targets involved in cancer have been found using these screening approaches.

Phylogica's CEO Richard Hopkins stated, "We are delighted by the broad scope of claims awarded in this patent as they cover the use Phylomers in a wide array of genetic screening approaches typically used in the industry to characterise disease-pathways."

"Such screening approaches can provide invaluable insight into the mechanisms underlying diseases such as cancer and can help identify new drug targets. Evidence suggests the Phylomers will function as very powerful tools to probe the intracellular landscape for targets in a manner that will prove more informative than conventional phenotypic screening methods. In addition, the patented method also provides a means for anticipating whether cancer might have a way of evading a particular therapy through exploiting escape pathways to become resistant to a drug

"This allowance is a powerful addition to our growing portfolio of patents covering the use of Phylomers in various phenotypic screening formats which places Phylogica in a strong strategic position."

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Phylogica is currently exploring a range of strategic opportunities to further develop and exploit this technology as a means of unlocking significant shareholder value.

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About Phylogica
Phylogica Limited (ASX: PYC) is a biotechnology company based in Perth, Australia with a world-class drug discovery platform harnessing the rich biodiversity of nature to discover novel peptide therapeutics. The Company was incorporated in 2001 as a spin out from the Telethon Kids Institute (Perth, Australia) and the Fox Chase Cancer Centre (Philadelphia, USA). The Company's drug discovery platform is based on its proprietary Phylomer® libraries containing over 400 billion unique natural peptides, which have been optimised by evolutionary selection to have stable drug-like structures. Phylogica offers fully integrated drug discovery services to the pharmaceutical industry utilising its Phylomer® libraries and proprietary screening technologies. Partners from the last four years include Genentech (a member of the Roche Group), MedImmune (the worldwide biologics arm of AstraZeneca), Pfizer, Janssen and Cubist Pharmaceuticals.

About Phylomer® Peptides
Phylomer peptides are derived from biodiverse natural sequences, which have been selected by evolution to form stable structures, which can bind tightly, and specifically to disease associated target proteins, both inside and outside cells. Suitable targets for blockade by Phylomers include protein interactions that promote multiple diseases, such as infectious diseases, cancer, autoimmunity and heart disease. Phylomer peptides can have drug-like properties, including specificity, potency and thermal stability, and are capable of being produced by synthetic or recombinant manufacturing processes. Phylomer peptides are also readily formulated for administration by a number of means, including parenteral or intranasal delivery approaches.