

CORPORATE OVERVIEW



KEY FACTS

- Biotech company offering leading peptide drug discovery services
- Founded from collaboration between Telethon Institute for Child Health Research in Perth and Fox Chase Cancer Centre in Philadelphia
- Based in Perth, Western Australia, and Oxford, UK
- Headcount of approximately 25 employees
- Listed on Australian Stock Exchange (ASX:PYC) in 2005
- Market capitalisation of approximately A\$30 million

INVESTMENT HIGHLIGHTS

- Assembled world-class Phylomer® peptide drug discovery platform
- Based on world's most structurally diverse library of natural peptides
- Strategy for rapid revenue growth from fee-for-service drug discovery
- Three partnerships with major pharma companies: Roche, AstraZeneca & Pfizer
- Robust financial position and objective to achieve cash sustainability within two years

TECHNOLOGY

- Proprietary Phylomer® natural peptide libraries derived from more than 35 fully sequenced bacterial genomes
- Library sizes of several billion peptides integrated with high throughput screening technologies
- Able to screen against targets inside and outside disease cells
- Hit rates from libraries are significantly higher than with conventional random peptide libraries
- Proven efficacy in both in vitro and in vivo disease models before lead optimization of hits

BUSINESS MODEL

Phylogica aims to be the partner of choice for the international pharmaceutical industry in peptide drug discovery. Phylogica offers access to its Phylomer® libraries and screening capabilities through fee-for-service drug discovery deals that generate near-term financial returns and also create long-term value by retaining a financial interest in any drug candidates that derive from our libraries. In addition to upfront fees and committed funding, Phylogica is entitled to receive milestone payments linked to development progress and the achievement of sales-related targets, as well as royalties on global sales.

This strategy effectively eliminates Phylogica's financial and development risk, but provides upside from the successful commercialisation of all Phylomers. Phylogica can thus work to its strength by exploiting its control of the Phylomer® library resource in the drug discovery stage. This business model is well established internationally, having been successfully used by companies such as Morphosys AG and Galapagos NV to rapidly accelerate annual revenue streams.

PARTNERSHIPS WITH TOP-10 PHARMA

Initiated commercialization in 2009 and signed three drug discovery alliances with major pharma companies to-date. Objective to sign three new partnerships per year.

Roche

- Collaboration to discover cell-penetrating peptides in December 2009
- Successful completion of initial research objectives in February 2011
- Expanded to discover peptides that cross blood-brain barrier in May 2011

MedImmune (AstraZeneca)

- Collaboration to discover novel antibiotic peptides in August 2010
- Total deal value of up to US\$100M & royalties on worldwide sales

Pfizer

- Collaboration to discover novel peptide vaccines in December 2010
- Total deal value of up to US\$135M & royalties on worldwide sales

FINANCIAL PERFORMANCE

- Revenue of over A\$2.5 million and burn of approximately A\$3 million in CY2010
- Analysts forecast revenue of A\$4-6 million in FY2011/12
- Net cash of AU\$5.2 million at 30 June 2011
- Positioned for cash flow sustainability in 2012-13

BOARD & MANAGEMENT

- Dr Doug Wilson: Executive Chairman (former Global Head of Medicine, Boehringer Ingelheim)
- Dr Paul Watt: Chief Executive Officer (former academic, Oxford & Harvard Universities)
- Mr Nick Woolf: Chief Financial Officer & VP Corporate Development (former Chief Business Officer, Oxford BioMedica; and Head of European Life Sciences Equity Research, ABN AMRO)
- Bruce McHarrie: Non-Executive Director (former Assistant Director, Rothschild Biosciences, UK)

CONTACT

Mr Nick Woolf, CFO & VP Corporate Development

Phylogica Ltd

T: +61 8 9382 8888

M: +61 417 986 005

E: nwoolf@phylogica.com