

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\$20 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
- Since 2009, signed four partnerships with major pharma companies: Roche, MedImmune, Pfizer and Janssen
- Robust financial position and potential to achieve cash sustainability in 2013

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 signed 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 signed in August 2010
- Progressed to the final stage of the Research Plan in November 2011
- Total deal value of up to US\$100M & royalties on worldwide sales

Pfizer

- Collaboration to discover novel peptide vaccines signed in December 2010
- Successful completion of first stage of collaboration in December 2011
- Total deal value of up to US\$135M & royalties on worldwide sales

Janssen (Johnson & Johnson)

- Collaboration to discover cell-penetrating peptides for development of multiple products signed in December 2011
- Potential to broaden scope of collaboration for development of a further ten drug candidates

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)
- Mr Bruce McHarrie: Non-Executive Director (former Assistant Director, Rothschild Biosciences, UK)

CONTACT

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