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**Finance News Network Video interview with Non Executive Director.**

You can watch the interview by clicking the [link](#) here.

**TRANSCRIPTION OF FINANCE NEWS NETWORK INTERVIEW WITH PHYLOGICA (ASX:PYC) DIRECTOR, NICK WOOLF**

**Clive Tompkins:** Hello Clive Tompkins reporting for the Finance News Network. Joining me from Phylogica for an update is Director, Nick Woolf. Nick welcome to FNN, when we last spoke with Phylogica the Company's strategy of drug discovery and development was explained, what is currently being worked on and how long before commercialisation?

**Nick Woolf:** We have two internal programmes that we're currently working on; they're both in pre-clinical development - one is a novel antibiotic and one is a novel anti-inflammatory programme. But we have shifted our business model away from our in-house drug discovery and we are now very much working on contract discovery, where we are screening against third party targets and these targets are coming from big pharmaceutical companies.

And you may have seen in December, we signed our first major commercial collaboration with Roche, that's a big pharmaceutical company in Switzerland and we're working on one of their targets currently, which we've now completed the first stage of and you'll be hearing more about later this year.

**Clive Tompkins:** For the benefit of the audience, can you explain the potential of your Phylomer Peptides?

**Nick Woolf:** Well Peptides are part of proteins and what we have is the world's most structurally diverse set of Peptides. We have constructed libraries of several billion Peptides and they are attractive, both for their drug like properties against various disease targets particularly those that are difficult to treat, and we have attracted numerous big pharmaceutical companies to potentially contract us to use our libraries to discover novel drugs against various different diseases.

**Clive Tompkins:** Phylogica has a number of relationships with major pharmaceutical and biotech companies as well as with leading research institutes, anything major to report?



**Nick Woolf:** As you've pointed out we're working with a number of leading research institutes, but we have a new commercialisation phase of our contract drug discovery services and we have started at the end of last year, to bring in new partners from the pharmaceutical world.

We partnered with Roche, a Swiss Pharmaceutical Company at the end of last year and just this week we have partnered with the biologics group of Astra Zeneca, a big UK based pharmaceutical company. So we've partnered with Medimmune which is their biologics unit and this is an anti-microbial target and is a way they've come to us to discover a novel antibiotic based from our Phylomer libraries.

**Clive Tompkins:** Okay Nick and what's the AstraZeneca deal worth?

**Nick Woolf:** Well there's an upfront element and then there are downstream payments. We are going to receive over \$1.5 million over the first twelve months – a collaboration and most of that we've received upfront. And over the course of development, we're going to receive a further \$100 million in milestone payments- so this is as Astra Zeneca progresses the programme through development. In addition to that on commercialisation we have royalties on their sales.

**Clive Tompkins:** You recently listed on the Frankfurt Stock Exchange in addition to your primary listing here on the ASX, what was the purpose?

**Nick Woolf:** Well the Frankfurt Stock Exchange is very much an international stock exchange and has proven very popular for non German companies to list there, including many other biotech companies and we're really looking to raise our profile.

**Clive Tompkins:** Is this expected to open doors for you in Europe?

**Nick Woolf:** Well absolutely, we're working with an investment bank that is going to start making a market in the stock. So that'll improve our trading liquidity for investors but also raising our profile with the pharmaceutical community, particularly those that are based within Europe.

**Clive Tompkins:** Nick you recently joined the Board, what attracted you to Phylogica?

**Nick Woolf:** Well, the technology for one, and the opportunity that I think we have both in terms of business development and also in terms of stock performance. I think that we are under the radar screen – I've described Phylogica as a diamond in the rough and I'm hoping to help internationalise the Company.

**Clive Tompkins:** And can you tell us a bit about your recent experience?



**Nick Woolf:** Well I've just recently left my last job, I spent seven years at a company in the UK called Oxford BioMedica – that's a large \$100 million market cap company listed on the London Stock Exchange and my role was Chief Business Officer. And that stems back to my experience both in the capital markets - prior to Oxford BioMedica I ran the European biotech team at ABN Amro, so my role at Phylogica will be to bring my capital markets experience as well as my business developments experience.

**Clive Tompkins:** Your website lists a number of internal projects; can you explain each and what you mean by internal, starting with Intracellular?

**Nick Woolf:** Well Intracellular targets are inside of cells. Most biologics and biologics is the fastest growing area of the pharmaceutical industry today, targets only on the outside of cells. What we've been able to demonstrate, and this is one of the reasons that Roche came to us – our first large pharmaceutical partnership, was because we can get products inside of cells and that targets a different type of disease.

**Clive Tompkins:** And the CD40L's?

**Nick Woolf:** Well this is our anti-inflammatory target and CD40 ligand is a target that's well known if you can block it, you can treat diseases such as rheumatoid arthritis. We have a very exciting in-house drug discovery programme currently in pre-clinical development, targeting rheumatoid arthritis.

**Clive Tompkins:** And finally the Antimicrobials?

**Nick Woolf:** Well Antimicrobial is another word for an antibiotic and we're targeting some of those super bugs that I'm sure you've read about in hospitals. These are resistant to many of the existing antibiotics and we believe we can come up with a novel class of antibiotics based on our Pylomer libraries.

**Clive Tompkins:** And your work with Antimicrobials is I believe the reason for the Astra Zeneca deal, is that correct?

**Nick Woolf: Absolutely.** So they've seen the work that we've done in the Antimicrobial space and they've come to us with a specific target - the very hard to treat bacterial bug in hospitals that they want us to address with our Pylomer libraries.

**Clive Tompkins:** Last question Nick, what's your cash position and funding requirements for the rest of the year?

**Nick Woolf:** We currently have AUD\$1 million in the bank - our Medimmune deal as with Astra Zeneca the biologics unit, we have just announced we have another US\$1.5 million coming in over the next twelve months and that's enough to fund the Company through into next year. We're also working on other deals and we have a further two in late stage discussion, and we expect to close those over the next few months and that will extend our cash life further.



**Clive Tompkins:** Nick Woolf thanks for the update.

**Nick Woolf:** Thank you.

**ENDS**

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**About Phylogica ([www.phylogica.com](http://www.phylogica.com))**

Phylogica is a biopharmaceutical company focusing on the discovery of Phylomer<sup>®</sup> peptides for its partners from the Pharmaceutical industry. Phylogica's discovery platform uses its proprietary Phylomer<sup>®</sup> libraries, a highly diverse collection of billions of Phylomer<sup>®</sup> peptides from across thousands of structural families, to provide a rich source of potent drug leads for a broad range of disease targets. Phylogica has gained significant leverage in the area of peptide drug discovery by establishing proprietary global rights for the Phylomer<sup>®</sup> libraries which are the most structurally diverse source of peptides available. These libraries when combined with Phylogica's proprietary screening methods and significant know-how in the field of peptide drug discovery constitute a powerful drug discovery platform, which offers the highest hit-rates for bioactive peptides as well as the highest quality of primary hits. Phylomer<sup>®</sup> peptides can access targets both outside and inside cells. In December 2010, Phylogica entered into an alliance with Roche to discover new sequences for intracellular targeting of biologicals



## **About Phylomers**

Phylomer<sup>®</sup> 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. Suitable targets for Phylomer<sup>®</sup> blockade include protein interactions that promote multiple disease, such as infectious diseases, cancer, autoimmunity, and heart disease. Phylomer<sup>®</sup> 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<sup>®</sup> peptides are also readily formulated for administration by a number of means, including parenteral or intranasal delivery. Phylogica has recently initiated a collaboration with Aegis Therapeutics LLC ([www.aegisthera.com](http://www.aegisthera.com)), to develop the delivery of Phylomer<sup>®</sup> peptides by their formulation using Intravail<sup>®</sup> for transmucosal delivery.