ASX ANNOUNCEMENT

15 November 2019

Conclusion of Genentech antimicrobial collaboration

Background

PYC is a drug development company taking precision medicines for rare genetic disorders into clinical development. PYC's core focus is a flagship program for the leading cause of childhood blindness - a condition called retinitis pigmentosa.

Phylogica Limited trading as PYC Therapeutics (the **Company** or **PYC**) advises that its collaboration with Genentech to create novel antimicrobial therapies that began in 2014 has now concluded.

PYC's role in the collaboration was to identify peptides capable of delivering a cargo across the membrane of bacteria (Bacterial Penetrating Peptides or BPPs). PYC successfully delivered on this objective and the ability of PYC's BPPs to deliver a cargo across the target bacterial membrane was confirmed by Genentech under confocal microscopy (see Figure 1 below).

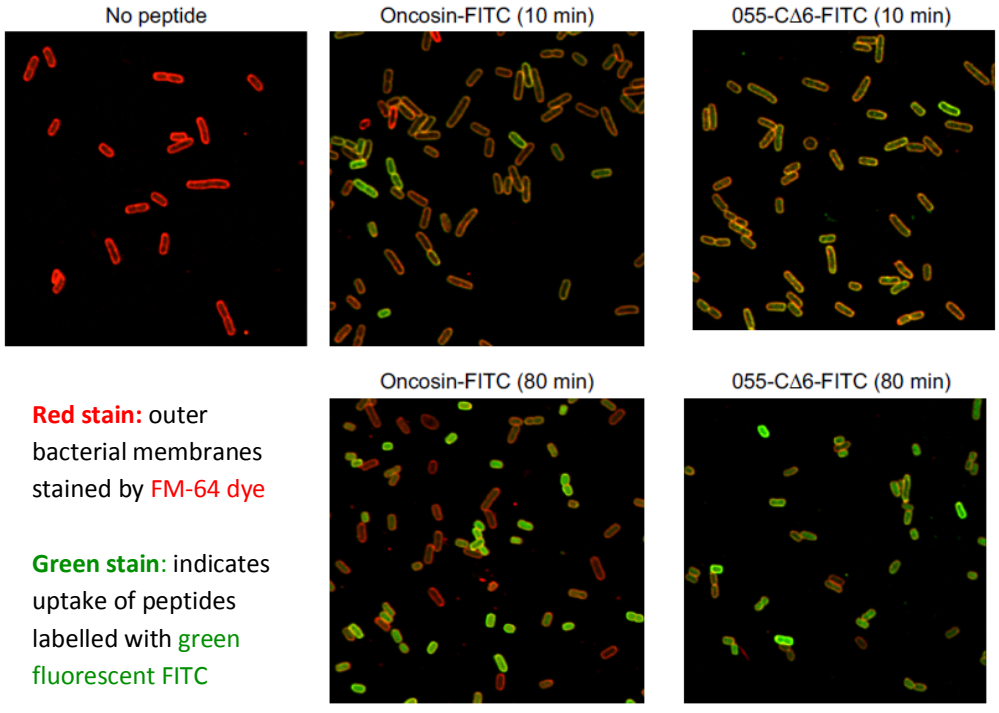

Figure 1. Demonstration of the ability of a PYC CPP (055-CΔ6) to deliver a green fluorescent tag (FITC) inside a bacterial cell. The left hand side image shows the untreated bacteria ('No peptide') in red (bacteria turn green when the fluorescent tag is successfully delivered), the central images show a positive control known to cross the bacterial cell membrane with the green fluorescent tag (Oncosin-FITC) at two time points (10 and 80 minutes) and the right hand side images show PYC's CPP delivering the fluorescent tag inside the bacterial cells at the same two time points.

The particular drug cargo that Genentech wanted to deliver into the target bacteria did not retain its antimicrobial efficacy after conjugation (joining) to the BPP meaning that the collaboration has not progressed further and has now concluded.

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About PYC Therapeutics

Phylogica Limited trading as PYC Therapeutics (ASX: PYC) is a drug development company solving a major challenge in the development of a revolutionary new class of drugs – delivering large drugs into cells. Cell Penetrating Peptides (CPPs) can overcome 'the delivery challenge' and provide access for a wide range of potent and precise drug 'cargoes' to the 'undruggable genome' – the highest value drug targets that exist inside cells. PYC Therapeutics is using its CPP platform to develop a pipeline of novel therapies with an initial focus on inherited retinal diseases.

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 the Company'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 the Company'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. The Company undertakes no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.

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