

PHYLOGICA

BREAKTHROUGH PEPTIDE THERAPEUTICS

7 August 2019

ASX Limited
Level 40 Central Park
152 – 158 St George's Terrace
Perth WA 6000

Attention: Sean Maloney


By email: ListingsCompliancePerth@asx.com.au

Dear Mr Maloney,

In response to the Aware Query received on 6 August 2019, Phylogica Limited ('PYC') responds as follows:

1. Yes, PYC does consider the information released to ASX at 9.41am AEST on 6 August 2019 to be information that a reasonable person would expect to have material effect on the price or value of its securities.
2. Not applicable
3. PYC became aware of the Information at 6:11pm AEST on Monday 5 August 2019 upon receipt of an email from an independent third-party laboratory. The email contained results concerning the ability of PYC's Cell Penetrating Peptide (CPP) technology to deliver an Antisense Oligonucleotide (ASO) drug cargo into human Retinal Pigment Epithelial cells.
4. PYC received the Information after the close of trading on the Australian Securities Exchange (ASX) on Monday 5 August 2019. Phylogica released the results to the ASX before the open of trading on Tuesday 6 August 2019.
5. PYC is compliant with the Listing Rules and in particular Listing Rule 3.1.
6. PYC's responses to the questions above have been authorised and approved by the Board.

Yours faithfully
Phylogica Limited



Kevin Hart
Company Secretary

For personal use only



6 August 2019

Reference: 05005

Mr Kevin Hart
Company Secretary
Phylogica Limited

By email: kevinh@endeavourcorp.com.au

Dear Mr Hart

Phylogica Limited('PYC'): Aware Query

ASX refers to the following:

- A. The change in the price of PYC's securities from a closing price of \$0.027 on Friday, 26 July 2019 to an intraday high at the time of writing of \$0.044 today, Tuesday 6 August 2019. We also note the significant increase in the volume of PYC's securities traded during this period.
- B. PYC's announcement entitled "Phylogica's technology is effective in human cells" lodged on the ASX Market Announcements Platform and released at 9:41 AM AEST on 6 August 2019 (the 'Announcement'), disclosing, among other things, that PYC's CPP technology has successfully delivered an Anti-Sense Oligonucleotide (ASO) drug cargo into human Retinal Pigment Epithelial (RPE) cells ('Information').
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks PYC to respond separately to each of the following questions and requests for information:

1. Does PYC consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did PYC first become aware of the Information?
4. If the answer to question 1 is “yes” and PYC first became aware of the Information before the relevant date, did PYC make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe PYC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps PYC took to ensure that the information was released promptly and without delay.
5. Please confirm that PYC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that PYC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PYC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Thursday, 8 August 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PYC’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PYC to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PYC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PYC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in PYC's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)