



ASX Limited
Market Announcements Office

Phosphagenics Entitlement Offer raises over AUD3M

25 October 2017, Melbourne: Australian drug delivery company, Phosphagenics Limited (ASX:POH; OTCQX:PPGNY), is pleased to announce that it has successfully completed its 1 for 4 pro-rata non-renounceable entitlement offer (**Entitlement Offer**) raising over AUD3.36 million.

The Company's Entitlement Offer closed at 5pm, Friday 20 October 2017 having received applications for:

- Approximately AUD1.56 million in new shares from those shareholders taking up their entitlements;
- Approximately AUD0.82 million in new shares from those shareholders who have subscribed for Additional Shares under the Shortfall Facility (as defined in the Information Booklet); and
- Approximately AUD0.98 million in new shares from those who have partially underwritten the Entitlement Offer.

This represents a take-up of approximately 71% and leaves a shortfall of 91,445,894 shares under the Entitlement Offer.

Dr Ross Murdoch, CEO of Phosphagenics, said, "The offer process was designed to raise additional funds to strengthen our financial position through the ongoing Arbitration process and beyond whilst also supporting our continuing R&D and operational activities. While the 1:4 entitlement offer had the capacity to raise up to AUD4.7 million, we were targeting \$3 million or better, and I see AUD3.36 million as a very good result for Phosphagenics and a positive show of support and endorsement for the Company and its present direction."

Dr Greg Collier, Chairman of Phosphagenics, added, "It is pleasing to see such broad support from shareholders. Phosphagenics has a number of exciting opportunities to develop over the coming 12 months and this additional capital will allow us to progress these for the benefit of all shareholders. The Board and I believe that 2018 holds great promise for the Company."

The new shares issued as part of this Entitlement Offer will be issued to shareholders on 27 October 2017 and normal trading in new shares will commence on 30 October 2017.

As part of this Entitlement Offer process it became apparent that many shareholders had not updated their registry details such as address, email address or contact number (mobile or home). Phosphagenics requests that when possible shareholders update their details by following instructions to the Computershare Investor Centre at <http://www.phosphagenics.com/investors/investor-resources/>.

Ends

Phosphagenics Limited

ACN 056 482 403 ABN 32 056 482 403

Unit A8, 2A Westall Road, Clayton VIC 3168 Australia

Tel: +61 3 9002 5000

www.phosphagenics.com Email: info@phosphagenics.com

Enquiries

Dr Ross Murdoch
Phosphagenics Limited
+61 3 9002 5000

Kyahn Williamson
WE Buchan
+61 3 9866 4722 / +61 401 018 828
kwilliamson@we-buchan.com

About Phosphagenics

Phosphagenics Limited is focused on developing and commercialising innovative Human Health, Animal Health and Personal Care products using its proprietary drug delivery system called TPM® (Targeted Penetration Matrix). TPM® is derived from Vitamin E using a unique, proprietary and patented process and has been proven to enhance the solubility and oral, dermal and transdermal absorption of drugs and nutrients.

Amongst its major projects, Phosphagenics' is developing TPM® enhanced patches, gels and injectable products for the human health market and is also developing TPM® to enhance the feed efficiency and health of livestock.

Phosphagenics' shares are listed on the Australian Securities Exchange (POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (PPGNY).

Inherent Risks of Investment in Biotechnology Companies

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology.

Forward-looking Statements

Certain statements in this announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services.

www.phosphagenics.com