

REPORT FOR THE QUARTER ENDED 31 December 2022 (Q4)

PERTH, Australia and SAN FRANCISCO, California – 20 January 2023

PYC is a drug discovery and development company creating RNA therapies for patients who have no treatment options today

The Company is progressing multiple first-in-class drug candidates with the potential to address the underlying cause of genetic diseases into clinical trials

PYC's most advanced program, a treatment for a progressive blinding eye disease, is set to enter clinical (human) studies in the current quarter

PYC Therapeutics (ASX:PYC) is a biotechnology company creating a new generation of RNA therapeutics to change the lives of patients with genetic diseases. The Company utilises its proprietary drug delivery platform to enhance the potency of precision medicines within the rapidly growing RNA therapeutic class. PYC has three first-in-class drug candidates in its pipeline across a range of indications, each of which addresses the underlying cause of the disease in question.

The most advanced asset to utilise PYC's drug delivery technology is a precision medicine designed to treat a blinding eye disease called Retinitis Pigmentosa type 11 (**RP11**). PYC anticipates filing an Investigational New Drug (**IND**) application in support of the RP11 drug candidate in the current quarter to enable studies in humans to begin.

Q4 2022 Achievements

- **Successful completion of the Good Laboratory Practice (GLP) toxicology studies** required for submission of the IND in support of the RP11 investigational drug candidate
- Further progression of the Company's second and third drug programs through pre-clinical milestones and **towards First In Human (FIH) studies**
- **Initiation of research coverage** on PYC by respected independent life sciences analyst David Nayagam from Evans & Partners
- Presentation of the **advantages of PYC's proprietary drug delivery platform** in the eye at the Oligonucleotide Therapeutic Society annual meeting

The Company's progress comes at a time of growing interest in the RNA therapeutics field within the industry and in candidates benefitting from facilitated delivery specifically¹. This corporate activity is occurring in the domain of pre-clinical drug candidates – reflecting the value built early in precision therapies addressing diseases caused by mutations in single genes (PYC's focus area).

The achievements of Q4 have enabled PYC to progress to within reach of a number of major milestones expected to be realised in the first half of 2023, including:

- **RP11 program**
 - Submission of an IND application to enable clinical (human) trials to begin
 - If successful, submission of a human ethics application in support of the proposed clinical trial
 - If successful, dosing of the first patient cohort in the Single Ascending Dose study
 - Review of the acute safety profile of the first patient cohort by the Data Safety Monitoring Committee
 - If successful, progression to higher doses within the Single Ascending Dose study protocol
- **Autosomal Dominant Optic Atrophy program**
 - Selection of a lead candidate
 - Initiation of the IND-enabling study pathway to support progression into clinical studies in 2024
- **Phelan McDermid program**
 - Assessment of the hit sequences identified (see ASX announcement of 27 September 2022) in both patient-derived and animal models
- **Drug discovery**
 - Continued research efforts directed towards effective scaling of PYC's platform technology

The milestones above are designed to enable the Company to deliver on its broader objective of progressing one potentially disease-modifying investigational therapy for patients who currently have no effective treatment options available into clinical studies every year.

Financial Update

As of 31 December 2022, the Company had \$17.1 million of cash on hand. The Company expects to receive a further cash R&D Tax Incentive rebate of approximately \$4.7 million in the March quarter.

During the quarter \$144k directors' remuneration was paid, which was included in item 1.2. of the Appendix 4C.

¹ <https://ir.entradatx.com/news-releases/news-release-details/vertex-and-entrada-therapeutics-establish-collaboration-discover>
<https://ir.wavelifesciences.com/news-releases/news-release-details/wave-life-sciences-and-gsk-announce-collaboration-drive>

About PYC Therapeutics

PYC Therapeutics (ASX: PYC) is a biotechnology company creating a new generation of RNA therapies by combining its drug design capabilities with a proprietary drug delivery platform.

The Company is leveraging its leading-edge science to develop a pipeline of novel therapies including two programs focused on inherited eye diseases and pre-clinical discovery programs focused on neurodevelopmental and kidney diseases. PYC's discovery, pre-clinical and laboratory operations are in Australia and its translational, clinical, and regulatory operations are in the United States. For more information, visit pyctx.com, or follow us on [LinkedIn](#) and [Twitter](#).

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.

This ASX announcement should not be relied on as a recommendation or forecast by the Company. Nothing in this ASX announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

This ASX announcement was approved and authorised for release by the CEO of PYC Therapeutics Limited

CONTACTS:

INVESTORS and MEDIA
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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PYC THERAPEUTICS LIMITED

ABN

48 098 391 961

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(7,788)	(14,341)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	9	1
(e) staff costs	(431)	(1,269)
(f) administration and corporate costs	(404)	(802)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4,880	4,880
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,720)	(11,515)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(22)	(143)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(22)	(143)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (leases)	(68)	(116)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(68)	(116)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,173	29,110
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,720)	(11,515)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(143)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(68)	(116)
4.5	Effect of movement in exchange rates on cash held	(283)	(256)
4.6	Cash and cash equivalents at end of period	17,080	17,080

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	17,080	21,173
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,080	21,173

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
(144)
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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

During the quarter \$144k directors remuneration was paid, which was included in item 1.2.

7. Financing facilities

*Note: the term "facility" includes all forms of financing arrangements available to the entity.
Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-

7.5 Unused financing facilities available at quarter end

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(3,720)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	17,080
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	17,080
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.59

Note: The Company expects to receive a R&D tax rebate from the ATO of approximately \$4,700,000 within the next quarter which is not included in the cash balance in this lodgement

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

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Answer: n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

20 January 2023

Date:

The CEO of PYC Therapeutics Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.