PYC Therapeutics

22 July 2024

Q2 2024 SHAREHOLDER UPDATE

- **PYC is a clinical-stage biotechnology company developing a pipeline of first-in-class precision medicines for patients with genetic diseases for which there are no treatment options**
- **The Company's near-term objective is to progress 3 drugs with life-changing potential into human trials by the end of 2024**
- **PYC remains on track to deliver on this objective[1] and has made substantial progress through Q2 2024 including:**
    - **First drug program (Retinitis Pigmentosa type 11)**
        - **Establishing the safety profile of this drug candidate in humans[2]**
        - **Reporting encouraging early human efficacy data[3]**
    - **Second drug program (Autosomal Dominant Optic Atrophy)**
        - **Completing the data pack required to enable human studies in this program to commence[4] in Q3[5] 2024**
        - **Gaining Orphan Drug Designation from the US Food and Drug Administration[6]**
    - **Third drug program (Polycystic Kidney Disease)**
        - **Clearing a path to human trials through the establishment of the safety/tolerability profile of the drug candidate in Non-Human Primates[7]**
    - **Fourth drug program (Phelan-McDermid Syndrome)**

[1] The regulatory submission to enable human trials in PYC's third drug program is on track for late 2024 with first patient enrolment and dosing anticipated in 1H 2025
[2] See ASX announcement of 1 July 2024
[3] See ASX announcement of 6 May 2024
[4] See ASX announcement of 14 May 2024
[5] Subject to the risks set out in Company's ASX disclosures of 14 March 2024
[6] See ASX announcement of 24 May 2024
[7] In Non-Good Laboratory Practice (Non-GLP) studies - See ASX announcement of 22 April 2024 and subject to the risks set out in the Company's ASX disclosures of 14 March 2024

- **Establishing the efficacy profile of the 'hit' candidates in human brain cells derived from a patient with the target disorder[8]**

PERTH, Australia and SAN FRANCISCO, California – 22 July 2024

PYC Therapeutics Limited (ASX:PYC) (**PYC** or the **Company**) today updates shareholders on progress made towards realisation of the Company's vision and objectives through the second quarter of 2024.

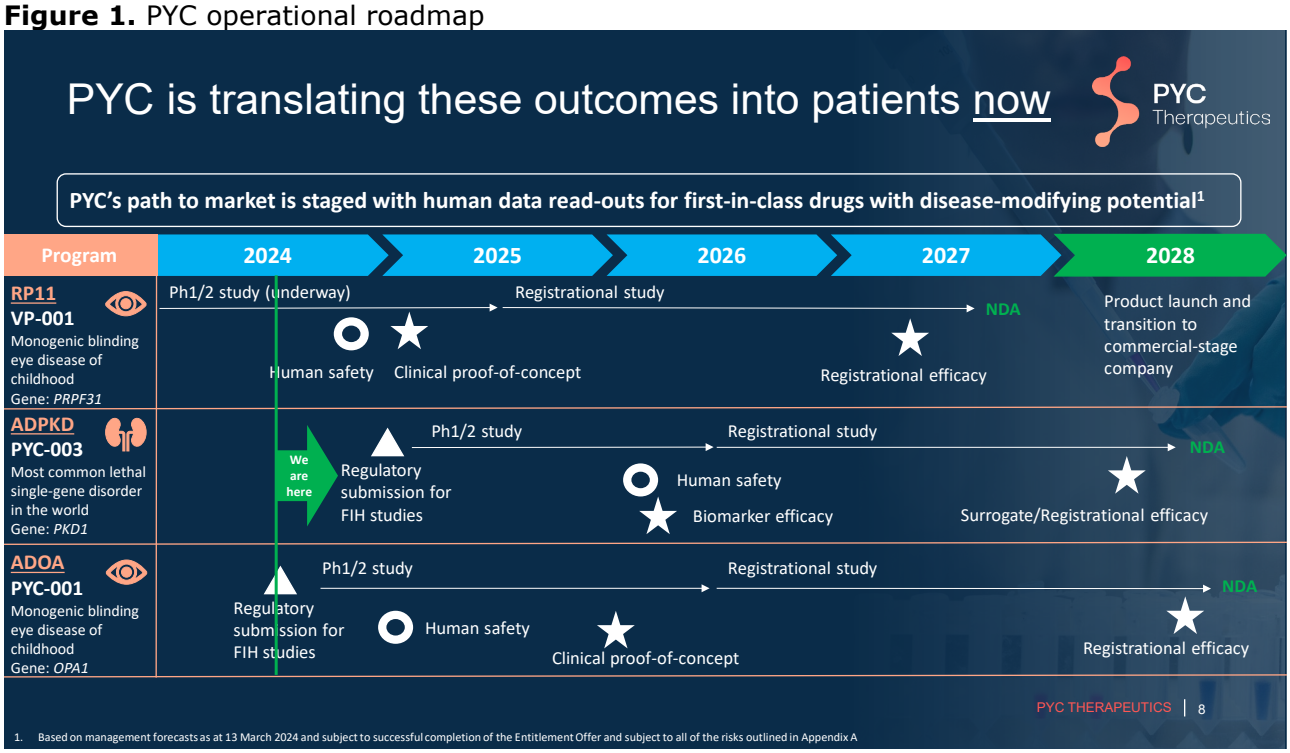
Important milestones were delivered in all four of the Company's pipeline programs (see highlights above and associated ASX announcements) as well as in PYC's discovery activities.

The two major developments within the quarter occurred in the Company's lead drug development program. PYC is currently developing the first potential therapy for patients with a blinding disease of childhood called Retinitis Pigmentosa type 11 (RP11)[9]. During the quarter, PYC:

1) Established that the Company's RP11 drug candidate was safe and well tolerated in all patients who have received it after a minimum of 4-weeks of follow up[10]; and
2) Presented the first early human efficacy data for this drug candidate at a major international ophthalmology conference[11].

PYC expects to publish more efficacy data in support of this drug candidate through the remainder of 2024 as it progresses through an open label multiple dose study in patients with RP11.

Figure 1. PYC operational roadmap



[8] See ASX announcement of 7 June 2024
[9] PYC 96.2% ownership of VP-001 (3.8% ownership by Lions Eye Institute, Australia) and 100% ownership of all other pipeline programs
[10] See ASX announcement of 1 July 2024
[11] See ASX announcement of 6 May 2024

The Company has reached a critical window and is set to deliver clinical proof of concept data across its three most advanced drug programs before the end of next year[12]. Collectively, these drug programs hold the potential to change the lives of tens of millions of patients globally living with one of the four targeted indications.

Funding and Cash Runway

As of 30 June 2024, the Company had $66.9 million of cash on hand. Research and development payments during the quarter ($15.3 million) related to the continuation of clinical studies, studies to support clinical trial regulatory submissions and progression of discovery programs.

Related Party Payments

Section 6 of the Appendix 4C released today discloses payments to related parties of $121k, reflecting fees paid to executive and non-executive directors during the quarter.

About PYC Therapeutics

PYC Therapeutics (ASX: PYC) is a clinical-stage biotechnology company creating a new generation of RNA therapies 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 and commercially proven RNA therapeutic class. PYC's drug development programs target monogenic diseases – **the indications with the highest likelihood of success in clinical development**[13].

PYC's drug development programs

Retinitis Pigmentosa type 11

- A blinding eye disease of childhood affecting 1 in every 100,000 people[14]
- Currently progressing through clinical trials with human safety and efficacy read-outs anticipated in 2024[15]

Autosomal Dominant Optic Atrophy

- A blinding eye disease of childhood affecting 1 in every 35,000 people[16]
- Now entering clinical trials with human safety and efficacy read-outs anticipated in 2024 and 2025[17]

[12] Subject to the risks set out in the Company's ASX disclosures of 14 March 2024
[13] Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank https://doi.org/10.1101/2020.11.02.20222232
[14] Sullivan L, et al. Genomic rearrangements of the PRPF31 gene account for 2.5% of autosomal dominant retinitis pigmentosa. Invest Ophthalmol Vis Sci. 2006;47(10):4579-88
[15] Subject to the risks outlined in the Company's ASX announcement of 14 March 2024
[16] Yu-Wai-Man, P. et al. The Prevalence and Natural History of Dominant Optic Atrophy Due to OPA1 Mutations Ophthalmology. 2010;117(8):1538-46 doi: 10.1016/j.ophtha.2009.12.038
[17] Subject to the risks outlined in the Company's ASX announcement of 14 March 2024

Autosomal Dominant Polycystic Kidney Disease

- A chronic kidney disease affecting 1 in every 1,000 people[18] that leads to renal failure and the need for organ transplantation in the majority of patients
- Clinical trials are expected to commence in early 2025 with human safety and efficacy data anticipated in 2025 and 2026[19]

Phelan McDermid Syndrome

- A severe neurodevelopmental disorder affecting 1 in every 10,000 people[20]
- PYC will initiate Investigational New Drug (IND)-enabling studies in 2025 to facilitate progression into human trials

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 Board of PYC Therapeutics Limited

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[18] Harris PC, Torres VE. Polycystic Kidney Disease, Autosomal Dominant. 2002 Jan 10 [Updated 2022 Sep 29]. In: Adam MP, Feldman J, Mirzaa GM, et al., editors. GeneReviews. Seattle (WA): University of Washington, Seattle; 1993-2023.
[19] Subject to the risks outlined in the Company's ASX announcement of 14 March 2024
[20] Phelan-McDermid Syndrome Foundation. https://pmsf.org/about-pms/

Appendix 4C

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

Name of entity	
PYC THERAPEUTICS LIMITED	
ABN	**Quarter ended ("current quarter")**
48 098 391 961	30 June 2024

	Consolidated statement of cash flows	Current quarter $A'000	Year to date 12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development	(15,341)	(56,257)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	(5)	(49)
	(e) staff costs	(461)	(1,763)
	(f) administration and corporate costs	(443)	(1,654)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	107	356
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	16,492
1.8	Other - (Receipt of collaboration fee from AI drug discovery project)	-	4,590
1.9	**Net cash from / (used in) operating activities**	**(16,143)**	**(38,285)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(307)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date 12 months) $A'000
	(e) intellectual property	-	-
	(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**	**-**	**(307)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	34,353	91,753
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	(997)	(1,265)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (leases)	(80)	(294)
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**	**33,276**	**90,194**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	49,654	15,572
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(16,143)	(38,285)

Consolidated statement of cash flows		Current quarter $A'000	Year to date 12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(307)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	33,276	90,194
4.5	Effect of movement in exchange rates on cash held	88	(299)
4.6	**Cash and cash equivalents at end of period**	**66,875**	**66,875**

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	66,875	49,654
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)**	**66,875**	**49,654**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(121)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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, $121k 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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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)	(16,143)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	66,875
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	66,875
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**4.14**

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?

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.

22 July 2024

Date: .....

The Board 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.