QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Melbourne, Australia – 30 April 2024: Percheron Therapeutics Limited, an international biotechnology company focused on the development of novel therapies for rare diseases, is pleased to provide an update on the Company's continuing progress during the quarter ended 31 March 2024.

Key Points

- **ATL1102 phase IIb clinical trial approaches full recruitment.** To date, 37 patients have been randomised to the study, with a further 9 patients in screening.
- **Abstracts presented at international scientific conference.** Three scientific posters were presented at the Annual Meeting of the Muscular Dystrophy Association in Orlando, FL, from 3 – 6 March 2024.
- **Receipt of R&D tax rebate for FY2023.** The company received $1.576 million from the Australian Tax Office in respect of the R&D Tax Incentive Rebate for the prior financial year.

"The company continues to execute on its strategy," commented Percheron CEO, Dr James Garner. "Recruitment to the international phase IIb study of ATL1102 in Duchenne muscular dystrophy is nearly complete, and we are making all efforts to be fully recruited in May. Although the pace of recruitment has been a little slower than we would have liked, we are pleased that all patients to date are remaining on study, and the execution of the protocol has so far generally been of very high quality. In addition, we were delighted to have no less than three abstracts on ATL1102 accepted to the prestigious Annual Meeting of the Muscular Dystrophy Association, and the meeting provided excellent opportunities for the Percheron team to network with clinicians, business partners, and colleagues from other pharmaceutical companies working in the field. As we look to the second quarter of CY2024, completion of recruitment to the study will be our absolute first priority, and we will also be preparing for two important international conferences in June."

ATL1102 Phase IIb Clinical Trial Nearing Full Recruitment

As at the date of this report, the ongoing international phase IIb clinical trial of ATL1102 in the Duchenne muscular dystrophy (DMD) has randomised 37 out of a planned 45 patients. A further 9 patients are currently in screening, and several additional patients have been identified by sites and are currently discussing participation.

10 patients have transitioned to the open-label extension phase of the study, after successfully completing the blinded phase. The blinded phase represents the first six months of the study and patients are randomised to receive one of two doses of ATL1102 or placebo. The primary endpoint is assessed at completion of the blinded phase. During the subsequent open-label phase, patients who originally received placebo are re-randomised to receive one of two doses of ATL1102.

To date, no material safety concerns, and no significant operational issues, have affected the conduct of the study.

The Company continues at this stage to anticipate final data in late CY2024 and will provide further guidance to investors when full recruitment is reached.

Abstracts Presented at MDA Annual Meeting

The Company was pleased to have three scientific abstracts accepted to the Annual Meeting of the Muscular Dystrophy Association, held in Orlando, FL, from 3 – 6 March 2024[1].

The titles of the abstracts were:

Poster V409 ATL1102 treatment of non-ambulant boys with DMD stabilizes function modifying plasma proteins with roles in immune, fibrosis, bone & growth physiology

Poster V410 Mdx mice dosed with antisense to CD49d & dystrophin exon skip morpholino; improved muscle force & affected pathways support ATL1102 combination in DMD

Poster M149 Design of a Phase 2b study evaluating the efficacy and safety of ATL1102 in non-ambulant DMD

Copies of the respective poster presentations are available via the company website.

Receipt of R&D Tax Rebate for FY2023

On 12 February 2024, the Company announced that it had received from the Australian Taxation Office an R&D Tax Incentive refund payment of $1,576,657 for the 30 June 2023 financial year[2]. The amount received was in relation to the expenditure incurred on eligible R&D activities undertaken in Australia and overseas.

Change of Company Address and Principal Place of Business

On 21 February 2024, the Company announced, in accordance with ASX Listing Rule 3.14, that it had changed its address to:

[1] https://per.live.irmau.com/pdf/d811af58-6052-4818-8992-9c2d27cc0446/ATL1102-Data-presented-at-MDA-Annual-Conference.pdf
[2] https://per.live.irmau.com/pdf/19546ade-9407-40a0-9599-9c8db53afacc/Receipt-of-RD-Tax-incentive-payment.pdf

L30, Collins Place,
35 Collins Street,
Melbourne, VIC 3000
Australia

The new location in the Melbourne central business district offers greater proximity to investors and other stakeholders in Melbourne, as well as better access to transport and other infrastructure. Moreover, the new office represents a significant cost saving in relation to the company's previous location.

Investor Engagement Activities

During 1Q CY2024, the Company commenced an ongoing program of investor engagement, intended to raise awareness of the company among the investment community.

The initiatives implemented in the current quarter include:

- Redesign and relaunch of the company's website
- Shareholder 'Open House' meetings in Perth and Brisbane
- Participation in Cantor Fitzgerald Virtual Duchenne Symposium
- Video interview segment with Proactive Investors

The Company expects to continue and expand on these efforts in coming quarters.

Upcoming Conference Participation

Members of the Percheron team will attend the BIO Annual Convention in San Diego, CA, from 3 – 6 June 2024. The Biotechnology Industry Organization (BIO) is the main industry body for biotech companies, and the Annual Convention is a key partnering conference. The company aims to build upon connections and engagements initiated at previous meetings, including the JP Morgan Healthcare Conference, held in San Francisco, CA, during January 2024.

Percheron will also be attending and sponsoring the 30th Annual Conference of Parent Project Muscular Dystrophy (PPMD), a key US-based organisation focused on patient advocacy and support. The Conference will be held in Orlando, FL, from 27 – 30 June 2024. The company aims to use the conference to connect with clinicians, researchers, and patient advocates, as well as with other companies focused on the DMD therapeutic area.

Financial Position

As noted in the accompanying unaudited quarterly cashflow report, the Company closed the March 2024 quarter with a cash balance of $14.9 million, versus $17.2 million at the end of the previous quarter.

During the quarter the Company made payments to related parties of the entity and their associates as disclosed in Item 6 of the Appendix 4C amounting to approximately $205,072. The payments are related to salaries, directors' fees, and consulting fees on normal commercial terms.

Based on a forward-looking cashflow forecast, the Company continues to project cash runway into CY2025.

~ ENDS ~

About Percheron Therapeutics Limited

Percheron Therapeutics Limited [ASX: PER | US OTC: ATHJY | FSE: AWY] is a publicly listed biotechnology company focused on the development and commercialisation of novel therapies for rare diseases. The company's lead program is ATL1102, an antisense oligonucleotide targeting the CD49d receptor. ATL1102 is currently the subject of an ongoing international phase IIb clinical trial for the treatment of non-ambulant patients with Duchenne Muscular Dystrophy (DMD), for which data is expected in 2H CY2024. The drug has previously reported promising results from an exploratory phase IIa study in the same population and has been awarded orphan drug designation (ODD) and rare pediatric disease designation (RPDD) by the US FDA.

For more information, please contact info@PercheronTx.com.

This announcement has been authorized for release to the Australian Securities Exchange by the Board of Directors.

Appendix 4C

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

Name of entity	
Percheron Therapeutics Limited	
ABN	**Quarter ended ("current quarter")**
41 095 060 745	31 March 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(2,959)	(5,934)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(7)	(86)
	(d) leased assets	(45)	(98)
	(e) staff costs	(478)	(1,498)
	(f) administration and corporate costs	(530)	(1,655)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	155	463
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,577	1,577
1.8	Other (provide details if material)	32	139
1.9	**Net cash from / (used in) operating activities**	**(2,255)**	**(7,092)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,612
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	-	(548)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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**	**-**	**11,064**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	17,194	10,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,255)	(7,092)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,064
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**14,939**	**14,939**

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	939	694
5.2	Call deposits	14,000	16,500
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)**	**14,939**	**17,194**

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	205
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.

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,255)
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,939
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	14,939
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	7

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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

8.6.2 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

8.6.3 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

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 30 April 2024

Authorised by: By the Board
(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.