

Q2 PROGRESS REPORT

- PYC has made material progress towards its near-term objective of progressing **three first-in-class drugs with disease-modifying potential into human studies** before the end of next year
- Each of these drugs holds the promise of being the **first treatment option for patients** with these indications that addresses the root cause of the disease
- All three drug programs are directed towards an **attractive commercial market (> \$1 billion p.a.¹)**

Specific progress in the quarter included:

- **Corporate/business development**
 - Successfully completed a \$30m capital raising
 - PYC's Executive team attended the BIO business development and partnering conference in Boston to present progress on the Company's drug delivery platform and pipeline of RNA therapeutics
- **Retinitis Pigmentosa type 11 (RP11) program**
 - Completed dosing of the first patient in the ongoing Phase 1 clinical trial (see ASX announcement of 30 June 2023)
 - Successfully completed the Good Laboratory Practice toxicology studies required to support transition to a Phase 2 clinical trial that is expected to begin in mid-2024 (see ASX announcement of 18 July 2023)
- **Autosomal Dominant Optic Atrophy (ADOA) program**
 - Completed studies in Non-Human Primates to support the design of the upcoming Good Laboratory Practice toxicology studies with results expected soon
- **Phelan McDermid Syndrome (PMS) program**
 - Added important pieces of the non-clinical data pack to support progression to human studies, including:
 - Confirmation that the target cells affected in PMS can be reached *in vivo*; and
 - Confirmation that the target gene affected in PMS can be modulated to address the root cause of the disease *in vitro* (see ASX announcement of 6 June 2023)
- The Company is looking forward to updating shareholders on near-term clinical milestones in its RP11 program, expected in Q3 and Q4 2023

PERTH, Australia and SAN FRANCISCO, California – 26 July 2023

PYC Therapeutics Ltd (ASX:PYC) is pleased to announce its material progress through the second quarter of 2023 towards the realisation of its near-term ambition – three first-in-class drugs that address the root cause of the target disease progressing to human studies before the end of next year.

PYC is now conducting two ongoing studies in Retinitis Pigmentosa type 11 (RP11). The QUOKKA natural history study continues to make progress with 28 patients enrolled to date. The PLATYPUS Phase 1 study has received all necessary approvals from the US Food and Drug Administration (FDA) to enable the First In Human study to begin (see ASX announcements of 6 March and 26 April 2023) and the first patient in this study has been dosed in June (see ASX announcement of 30 June 2023).

The progress in the Company's most advanced program (RP11) has now been complemented by the selection of a lead candidate in the second – Autosomal Dominant Optic Atrophy (See ASX announcement of 3 April 2023). This first-in-class and potentially disease-modifying investigational drug candidate is set to progress through to an Investigational New Drug (IND) application with the FDA in H1 2024 with IND-enabling studies set to commence in Q3 2023.

The Company is now in the human data generation window with investigational drug candidates directed towards highly validated targets. The extraordinary impact on the prospect of clinical success for drug candidates directed towards genetically validated targets has been the focus of significant recent industry attention¹. The Company benefits from this impact in the context of multi-billion-dollar target markets throughout its pipeline.

PYC Therapeutics CEO Dr Rohan Hockings said:

“The Company now has critical momentum on its path to human data read-outs. We are well-positioned to deliver on our mission of life-changing impact for patients with clinical data read-outs for our first-in-class drug candidates due every year from now on.”

Financial Update

As of 30 June 2023, the Company had \$15.6 million of cash on hand.

During the quarter the company announced a \$30.0m capital raising. Tranche 1 of the share placement, raising \$11.6m net of costs, was settled during the quarter. Subsequent to the quarter end, the Company received shareholder approval for Tranche 2 of the share placement and received an additional \$17.4 million.

The Company also expects to receive a R&D tax incentive from the Australian Tax Office in 2H 2023.

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.

¹ <https://news.alnylam.com/rnai/articles/harnessing-human-genetics-power-next-wave-rnai-therapeutics>
<https://www.fiercebiotech.com/biotech/no-regrets-gsk-turning-its-back-cell-therapies-oligo-strategy-heats>

PYC's drug development programs target monogenic diseases – **the indications with the highest likelihood of success in clinical development**².

The Company was the first to progress a drug candidate for a blinding eye disease of childhood into human trials and is now progressing multiple 'fast-follower' programs into the clinic. 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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² Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank
<https://doi.org/10.1101/2020.11.02.20222232>

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")

30 June 2023

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	(6,627)	(30,395)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	(52)
(e) staff costs	(288)	(1,959)
(f) administration and corporate costs	(437)	(1,693)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	9,674
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(7,339)	(24,374)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(319)	(542)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 12 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	-	-
s	(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	(319)	(542)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,600	12,650
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	(976)	(976)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (leases)	(54)	(252)
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	11,570	11,422

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,607	29,110
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,339)	(24,374)

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)	(319)	(542)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,570	11,422
4.5	Effect of movement in exchange rates on cash held	53	(44)
4.6	Cash and cash equivalents at end of period	15,572	15,572

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	15,572	11,607
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)	15,572	11,607

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	(147)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

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 \$147k 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
	-	-
	-	-
	-	-
	-	-

7.5 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)	(7,339)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	15,572
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	15,572
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.12

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

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.

26 July 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.