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Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

PERTH, Australia– 14 March 2024

This notice is given by PYC Therapeutics Limited ACN 098 391 961 (ASX:PYC) (**PYC** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Corporations Act**).

On 14 March 2024, the Company announced the launch of a pro-rata accelerated non-renounceable entitlement offer to eligible shareholders on the basis of one (1) new fully paid ordinary share in PYC (**New Share**) for every four (4) existing fully paid ordinary shares held (**Entitlement**) to raise up to A\$74.6 million (before costs) (**Entitlement Offer**).

Further details regarding the Entitlement Offer are set out in the ASX announcements released today.

A retail offer booklet for the Entitlement Offer is expected to be dispatched to eligible shareholders on or about 20 March 2024.

The Company confirms the following:

- (a) the Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
 - (ii) sections 674 and 674A of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Corporations Act which is required to be disclosed by the Company; and
- (e) the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of

factors including the number of New Shares taken up by each eligible shareholder. However, the Company notes the following:

Structure of the Entitlement Offer

- (i) The maximum number of New Shares which may be issued under the Entitlement Offer is up to approximately 933,216,784 New Shares (subject to rounding of fractional entitlements) representing approximately 20% of the issued share capital following completion of the Entitlement Offer.
- (ii) The Entitlement Offer is not underwritten.
- (iii) The Company will not offer a 'top up' or shortfall oversubscription facility as part of the Entitlement Offer. Accordingly, eligible shareholders are not able to apply for New Shares in excess of their Entitlement.
- (iv) If there remains any shortfall of New Shares not taken up by eligible shareholders under the Entitlement Offer (**Shortfall Shares**), the Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the close of the Entitlement Offer and at a price per New Share not less than the Offer Price. No Shortfall Shares will be issued to an applicant if the issue would otherwise contravene the Corporations Act, ASX Listing Rules or any other applicable laws.

General consequences

- (v) If all eligible shareholders take up their entitlements under the Entitlement Offer, the Entitlement Offer will have no significant effect on the control of the Company.
- (vi) If eligible shareholders do not take up all of their entitlements under the Entitlement Offer, the shareholding interests of those eligible shareholders will be diluted.
- (vii) The proportional interests of shareholders that are not eligible shareholders will be diluted because those shareholders are not entitled to participate in the Entitlement Offer.

Major shareholder participation

- (viii) The Company's largest shareholder, Australian Land Pty Ltd, has agreed to accept its full Entitlement under the Entitlement Offer.
- (ix) The Company's Chairman, Mr Alan Tribe, controls Australian Land Pty Ltd.
- (x) As at the date of this notice, Mr Tribe and Australian Land Pty Ltd (with their associates) hold a relevant interest in 32.95% of the issued shares of the Company. These holdings are held as follows:

Registered holders	Class and number of securities	Percentage of votes
Australian Land Pty Ltd Delarge Investments Pty Ltd Pagham Pty Ltd Runcion Pty Ltd	1,229,813,974	32.95%

Trexon Pty Ltd Stockbridge Corporation Pty Ltd Locca Pty Ltd (collectively, Australian Land)		
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- (xi) The impact of the Entitlement Offer on Australian Land's voting power will depend on the level of participation by other eligible shareholders in the Entitlement Offer. It is expected that Australian Land's voting power will increase temporarily following completion of the Institutional Entitlement Offer and then be diluted by the New Shares issued under the Retail Entitlement Offer.
- (xii) The following table illustrates the potential effect of the Entitlement Offer on Australian Land's voting power in several scenarios depending on the level of participation by other eligible shareholders (subject to the assumptions noted below):

Percentage of take up by Eligible Shareholders under the Entitlement Offer	Number of shares on issue on completion of Entitlement Offer**	Total Australian Land voting power**
0%	4,040,320,629	38.05%
25%	4,196,761,451	36.63%
50%	4,353,202,274	35.31%
75%	4,509,643,096	34.09%
100%	4,666,083,919	32.95%
Current voting power (immediately prior to Entitlement Offer)		32.95%

****Note:** This table assumes the following:

- (A) The interest of Australian Land in each line assumes that all shareholders comprising Australian Land (i.e. the entities listed above in paragraph x) take up their full Entitlement.
- (B) Calculated on the basis of 1 New Share per 4 existing shares held at the Record Date of 4.00pm (AWST) on Monday, 18 March 2024.
- (C) Subject to Rounding.
- (D) No Shortfall Shares are included in these calculations (and in the case of 100% take up no Shortfall Shares would be available to be issued).

- (xiii) Any increase in Australian Land's voting power under the Entitlement Offer will be made in reliance on item 10A of section 611 of the Act (**Item 10A Exception**).
- (xiv) As the Item 10A Exception may be relied on in relation to the Entitlement Offer, the Company will implement the nominee procedure set out in section 615 of the Corporations Act (with respect to the entitlements of ineligible shareholders) and the Company has received ASIC consent to the appointment of Euroz Hartleys Limited as nominee for such purposes.
- (xv) It is noted that Australian Land currently has total voting power in excess of 25% (currently, 32.95%) and as such may already have an ability to influence the composition of the Board and the Company's management and strategic direction and to impact the outcome of resolutions for shareholders of the Company. For example, Australian Land may have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution) and may have the de facto ability to pass ordinary resolutions of the shareholders, or to prevent ordinary resolutions from being passed (given that less than 100% of the shareholders are expected to vote at any general meeting).
- (xvi) Notwithstanding this, it is noted that Mr Alan Tribe is the Company's Chairman and a director (being one of four directors). The Company understands that Australian Land has no current intention to request additional representation on the Board even if it were to acquire the maximum possible voting power as a result of the Entitlement Offer. Accordingly, it is not expected that there will be any material effect on the actual control able to be exerted by Australian Land over the day-to-day operations of the Company.
- (xvii) as far as the Company is aware, other than Australian Land, it is not currently anticipated that any shareholder of the Company or investor will increase their relevant interest above 20% as a result of participating in the Entitlement Offer.
- (xviii) Accordingly, the Entitlement Offer is not expected to have any material effect or consequence on the control of the Company aside from the potential increase in the voting power of Australian Land.