PYC Therapeutics

ANNUAL REPORT 2025

Corporate Directory

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Alan Tribe
Non-Executive Director and Chairperson

Dr Rohan Hockings
Executive Director & Chief Executive Officer

Dr Michael Rosenblatt
Non-Executive Director

Jason Haddock
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STOCK EXCHANGE LISTING

PYC Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX code: PYC)

Incorporated in Western Australia, October 2001

WEBSITE

www.pyctx.com

Contents

Disclaimer
Any forward-looking statements in this report 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 report 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 report 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.

Chairman's Letter to Shareholders

Dear Shareholder,

I am pleased to report on another year of solid progress. PYC is progressing each of its drug candidates in line with expectations thereby improving the possibility of treatments for patients for which there are currently none. And through this the Company is developing significant value for Shareholders.

Now firmly established as a clinical stage drug development company, the prospect of delivering commercial benefit from either revenue generation or a licensing of the Company's assets moves ever closer. Inbound interest from the pharmaceutical industry in the Company's assets has been particularly strong over the past 12 months.

Platform Technology

PYC's drug delivery technology enables access to tissues and cells in the body not previously accessible. The potential for this technology is broad and extends beyond its use in the existing drug programmes and is a base capable of supporting further developments. The Company already has a pipeline of additional drug development opportunities however focus remains on the advancement of the existing clinical stage programmes.

Autosomal Dominant Polycystic Kidney Disease (ADPKD)

ADPKD is the single largest monogenic disorder and millions of patients suffer from the disease. Existing treatment options are frequently dialysis or kidney transplant. As forecast, human trials of PYC's drug candidate began in early 2025. Now having progressed through trials in healthy volunteers, dosing of patients with the disease has commenced. Key results relating to safety and possibly efficacy should be available early in 2026.

Interest in this programme from both external clinicians and industry participants is high. This drug has the potential to impact the lives of a large patient population and represents a significant commercial opportunity.

Retinitis Pigmentosa (RP11)

The Phase 1/2 clinical trials yielded improved vision in patients suffering from this blinding eye disease. A mid-year review with the US Food and Drug Administration is expected to be concluded by the end of 2025 with the agreement of a regulatory pathway for Phase 3 of trials.

Autosomal Dominant Optical Atrophy (ADOA)

Dosing of patients with this blinding eye disease commenced in 2025. A read out of efficacy is expected within 12 months.

Phelan McDermid Syndrome (PMS)

This is a debilitating genetic disorder which causes physical and intellectual disabilities. Pre-clinical studies in both animals and patient-derived models delivered compelling results and this programme continues to advance as a candidate for future clinical trials.

Shareholder Value

Our goal is to provide treatment options for patients with rare diseases where there are none today. As we progress through clinical trials achieving this goal moves ever closer. In doing this PYC continues to build significant value in its four programmes. Recognition of its achievements is evidenced by the level of interest being shown in its programmes by major industry participants worldwide.

Anecdotally, there has been a recent transaction involving the acquisition of a company in the US with another drug candidate for the treatment of ADPKD. The total consideration for this acquisition was in the order of US$1.7bn. This serves to illustrate the scale of valuation placed upon drug candidates for rare diseases by the industry. It also demonstrates one means of achieving value recognition for Shareholders.

As we look forward, future cash may be generated for the Company from revenue streams from either commercialisation of the technology or external licensing to third parties. The Board will pursue the paths that both maximise the recognition of Shareholder value and minimise the effects of any possible dilution of Shareholder interests associated with a future issue of shares.

PYC Team

The level of commitment and hard work demonstrated by the team continues unabated. For the Company to generate so much at a relatively low cost is a major achievement. I again pay tribute to them. I also acknowledge the members of the Board who have continued to provide their guidance and support throughout the year. As the Company continues to grow, we look to strengthen both the Board and Management so that they are appropriate for the growing scale of the Company's operations.

Conclusion

The Company is poised on the threshold of producing important safety and efficacy data on its leading ADPKD drug candidate. In addition, the two eye programmes that are also in clinical trials will continue to produce key readouts throughout the coming 12 months. And also, during this period the pre-clinical program for PMS could well qualify for the commencement of clinical trials.

As this progress occurs it becomes more likely that the value of PYC's technological achievements will be recognised by fellow industry participants and possibly equity capital markets.

Kind regards,
Alan Tribe
Non-Executive Director & Chairperson
PYC Therapeutics Limited

Chief Executive Officer's Letter to Shareholders

Dear Shareholder,

Your company continues to make meaningful progress towards its objective of changing the lives of patients with genetic diseases who have no treatment options available today.

Last year's annual report focused on the generation of clinical proof of concept data in the Company's lead blinding eye disease program and the progression of a third drug candidate (the polycystic kidney disease program) into clinical development. With those objectives now realised, and the balance sheet strengthened, focus turns to the defining year in PYC's journey.

In 2026, PYC is expecting to:

1. Deliver the most mature human data set for a disease-modifying drug candidate in the world's most prevalent rare disease – Polycystic Kidney Disease (PKD);
2. Progress a fourth first-in-class drug candidate with disease-modifying potential into human trials in a severe neurodevelopmental disorder known as Phelan-McDermid Syndrome (PMS);
3. Deliver human efficacy data establishing clinical proof of concept for the most advanced drug candidate in the blinding eye disease Autosomal Dominant Optic Atrophy (ADOA); and
4. Progress into a registrational trial for the first potential treatment for patients with another blinding eye disease known as Retinitis Pigmentosa type 11 (RP11).

The Company's PKD trial will be closely followed within the industry as PYC defines the impact of its PYC-003 drug candidate on the size of the kidney (total kidney volume) and then the function of the organ (estimated glomerular filtration rate). Establishing efficacy on these endpoints in the upcoming multiple dose studies in PKD patients will see the Company progress into the single 12-month registrational trial required for new drug approval in this indication in the US. Tens of millions of people globally stand to benefit from a successful outcome in these trials.

Through the remainder of 2025, the Company will define the expected pathway to clinical proof of concept in the devastating neurodevelopmental disorder PMS. Specifically, PYC is seeking to demonstrate the unique potential held by an RNA therapy in this indication on the critical language and cognition dimensions that are so important to PMS patients and their families. First human data in PMS is expected in the second half of 2026.

PYC's ADOA program is rapidly approaching human efficacy milestones with early data expected in 2025 and data from the repeat dose studies anticipated in 2026. PYC-001 is the most advanced drug candidate in clinical development in ADOA and, if successful, stands to become the first drug approved in this indication.

The Company is also on the cusp of the transition into late-stage clinical development in its RP11 program. PYC expects to meet with the FDA over coming months to define the pathway to a New Drug Application for the first potential treatment option for patients with this blinding eye disease of childhood.

With the ongoing progress made in four concurrent drug development programs, the Company has now created optionality in relation to how the value being built within these assets is recognised. An increasing understanding of the attraction of the RNA therapeutic modality within the industry and PYC's positioning as one of the most advanced players in this space sets the context for the Company to deliver important human data read-outs in highly attractive indications throughout 2026.

Your Company is focused on delivering the life-changing impact that has guided it from the outset of its journey. 2026 is the year in which PYC delivers the clinical data that defines the impact that these drug candidates will have in the lives of the patients for whom they were created. PYC has arrived at this juncture at a time of accelerating industry engagement with RNA therapies.

Your ongoing support has seen the Company translate its platform technology into a pipeline of clinical-stage drug candidates with unique potential in each of the targeted indications. It is now time to see that potential translate into impact in the lives of the patients affected. 2026 is PYC's time and we look forward to updating you on the upcoming milestones across all four pipeline programs as they unfold.

Sincerely,
Dr Rohan Hockings
Executive Director & Chief Executive Officer
PYC Therapeutics Limited

Operational & Financial Review

Company Overview

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[1].

The Company is headquartered in Perth, Western Australia, with operational activities in San Francisco, California. Our extensive advisory board, comprised of industry and regulatory experts as well as disease area specialists, provides critical support for our drug discovery initiatives and the advancement of our drug candidates through clinical studies.

FY2025 Highlights

In the past year, PYC made strong progress in all its drug development programs. Key achievements included:

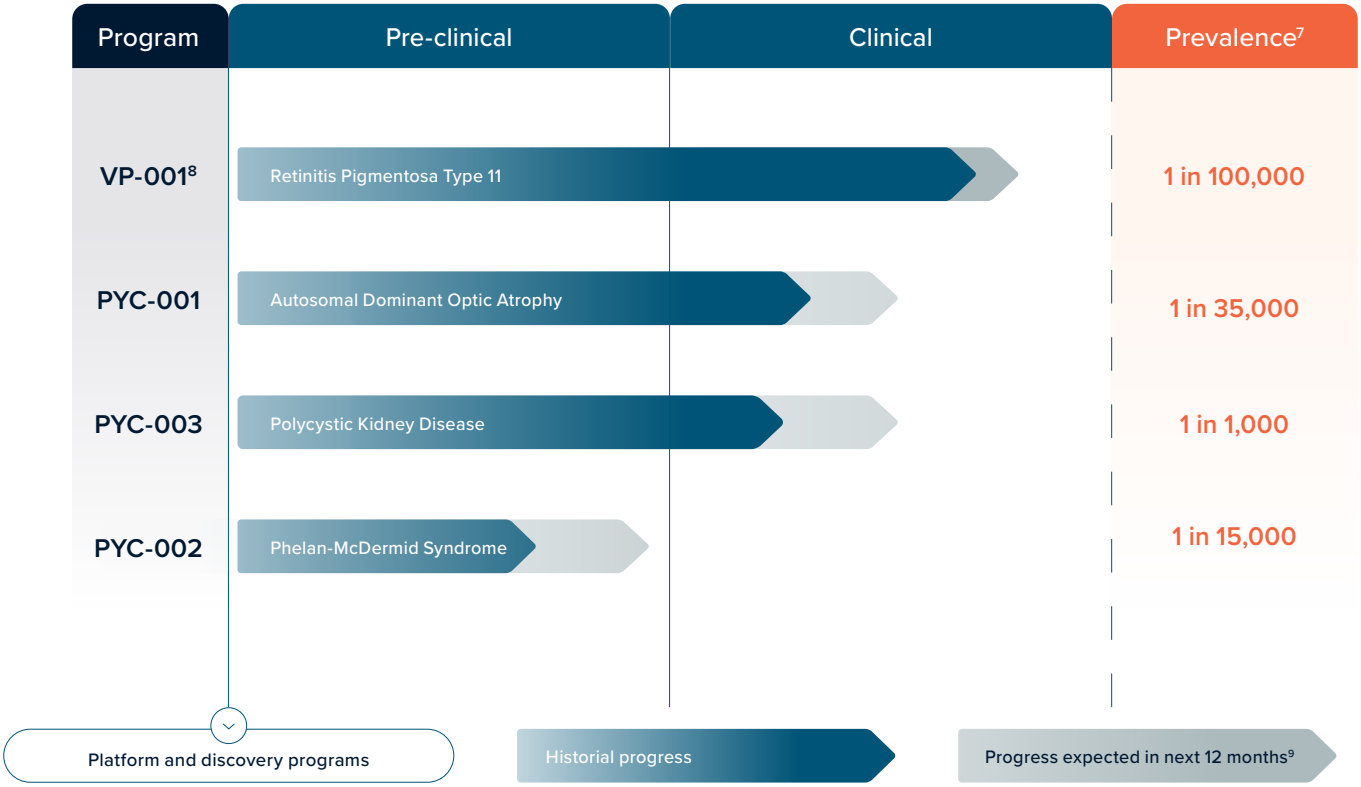
- The Polycystic Kidney Disease (PYC-003) program entered human trials with the first two cohorts of healthy volunteers having safely completed dosing in 1H 2025[2]. These outcomes enabled progression into Part B of the Phase 1a/1b study in PKD patients in 2H 2025 with the focus now turning to safety and efficacy data in patients in the world's most prevalent single gene disease.
- Proof of concept efficacy data was presented at leading industry conferences in the RP11 program (VP-001) with improved vision in patients in the ongoing Phase 1/2 studies following treatment with VP-001. In addition to the improvement observed on measures of visual acuity and retinal sensitivity to light, multiple participants in the ongoing studies have also reported meaningful subjective improvements in their vision after treatment. The Company is expecting to formalise alignment with the FDA on a regulatory pathway[3] for this program in coming months and expects to commence a registrational study in 1H CY26.
- During FY2025, the ADOA program commenced a clinical study in patients with ADOA, with the Safety Review Committee approving dose escalation through the initial 2 patient cohorts following review of the safety data generated in the study[4]. This program is expected to advance to a multiple dosing trial in the second half of 2025 with human efficacy data expected to be generated within the next 12 months.
- PYC-002, the drug candidate for Phelan McDermid Syndrome (PMS), demonstrated compelling safety and efficacy data in pre-clinical studies in both animals and patient-derived models supporting its progression into human trials[5]. The program is scheduled to progress into the clinic in 2026.
- Completed a fully subscribed $146 million capital raising from existing and new institutional investors to fund human safety and efficacy readouts across the Company's first-in-class pipeline over the next 24 months[6].

1 Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank. doi: https://doi.org/10.1101/2020.11.02.20222232
2 See ASX announcement 7 July 2025
3 See ASX announcement 23 June 2025
4 See ASX announcement 11 June 2025
5 See ASX announcement 27 June 2025
6 See ASX announcement 17 February 2025

PYC's drug discovery and development pipeline

PYC has built a pipeline of drug candidates with the potential to become the standard of care in areas of major unmet need

PYC has developed a portfolio of drug candidates that address the root cause of the targeted disease. Leveraging PYC's proprietary drug delivery platform, each program is designed to offer safe and effective therapies for patients who currently have limited or no available treatment options.



7 See references in Company presentation of 14 March 2024 for source material on prevalence by indication
8 PYC 97% ownership of VP-001 (3% ownership by Lions Eye Institute, Australia) and 100% ownership of all other pipeline programs
9 Based on management's latest estimates accurate as at 1 August 2025 and subject to successful realisation of developmental milestones in each program as well as satisfaction of regulatory requirements and subject to all other risks customary to an early-clinical stage biotechnology company developing novel drug candidates

PYC's strategy sees it developing best-in-class assets with a high probability of success in the clinic

An introduction to PYC - differentiated drug development

1

Disease-modifying drug candidates

Each of PYC's pipeline programs address the root cause of the target disease

2

In areas of major unmet need

In a disease with no established standard of care and worth between $1 and $10 billion p.a.[10]

3

With the highest probability of success

With a 5x higher probability of success than the industry average[11]

4

Validated in patient-derived models

A 'quantitative cure' for the single-gene disease targeted

5

Generating human efficacy data in 2025

Generating critical data this year-high-value human data readouts in major unmet patient needs[12]

10 Utilising the prevalence for each indication outlined and referenced on page 26 of this document and the median orphan drug price from Evaluate Pharma Orphan Drug Report 2019 ($150k p.a.)
11 King EA, Davis JW, Degner JF. Are drug targets with genetic support twice as likely to be approved? Revised estimates of the impact of genetic support for drug mechanisms on the probability of drug approval. PLoS Genet. 2019 Dec 12;15(12):e1008489. doi: 10.1371/journal.pgen.1008489. Pre-print version of article
12 Subject to the risks and uncertainties outlined in the Company's ASX disclosures of 17 February 2025

PROGRAM HIGHLIGHTS

VP-001 – Retinitis Pigmentosa type 11 (RP11)

RP11 is a blinding eye disease of childhood affecting 1 in every 100,000 people[16] and for which there are currently no available treatment options. VP-001 addresses the underlying cause of the disease and is the only drug candidate currently in clinical development in RP11.

Clinical Data demonstrating improved vision
in RP11 patients following treatment with VP-001[13]

Safe & well tolerated
in all patients in the ongoing clinical studies

Alignment with FDA
on framework for upcoming registrational trial expected to commence in 1H 2026[14]

No treatment currently available
or in clinical development to treat the underlying cause of this disease

$1 billion p.a.
estimated addressable market size[15]

RP11 is caused by a mutation in 1 copy of the *PRPF31* gene leading to a protein insufficiency in photoreceptor and Retinal Pigment Epithelial (RPE) cells. VP-001 seeks to restore the level of *PRPF31* expression back to wild-type ('unaffected') levels to halt the progression of loss of sight in RP11 patients. VP-001 has received Orphan Drug[17], Rare Pediatric Disease[18] and Fast Track Designations from the US FDA.

Over the last 12 months, the VP-001 program achieved the following milestones:

- Demonstrated statistically significant improvements in patient vision on FDA accepted registrational endpoints[19];
- Established safe and well-tolerated doses in the clinic with no treatment or procedure-related serious adverse events in any patient who has received the drug candidate to date;

13 See ASX announcement of 28 April 2025
14 See ASX announcement of 23 June 2025. The FDA is the United States Food and Drug Administration.
15 Market size is projected by multiplying patient prevalence per indication by the median orphan drug price of $150k p.a. EvaluatePharma. Orphan Drug Report. 2019. Refer to page 26 for prevalence of indication
16 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
17 See ASX announcement 20 January 2025
18 See ASX announcement 21 October 2024
19 See ASX announcement 28 April 2025. The two endpoints are LLVA and Microperimetry.

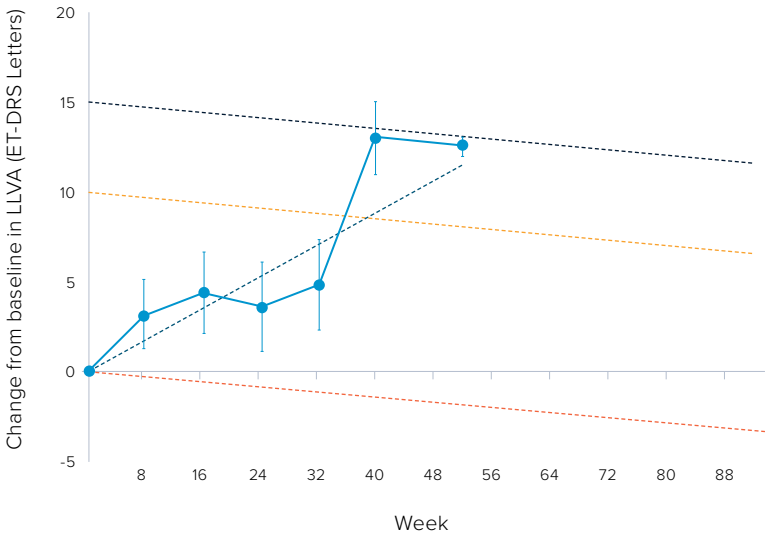
- Aligned with the US Food and Drug Administration on the framework for the registrational trial design; and
- Received multiple positive patient reported experiences following participation in the ongoing clinical studies.

Patients participating in the Single Ascending Dose and Multiple Ascending Dose studies have been invited to participate in an open label extension study commencing in 2H 2025 to study and evaluate the longer-term safety and efficacy profile of VP-001 in RP11 patients.

The company expects to finalise its proposed registrational study design prior to seeking endorsement of the protocol by the FDA in H2 2025 and initiating the trial.

RP11 patients treated with VP-001 in ongoing clinical studies have shown improvements in low luminance visual acuity (a registrational endpoint) within 12 months

VP-001 treated eyes[20] show improvement in LLVA compared to the disease progression observed in the Natural History Study (NHS) of patients with RP11[21,22]



Mean VP-001 Treated Eyes (+SEM)
n=7 at Week 8
n=8 at Week 16
n=5 at Week 24
1=6 at Week 32
N=2 at Week 40
N=2 at Week 52
(pooled analysis of n=1 at Week 48 and n=1 at Week 56)

VP-001 Treated Eyes line of fit

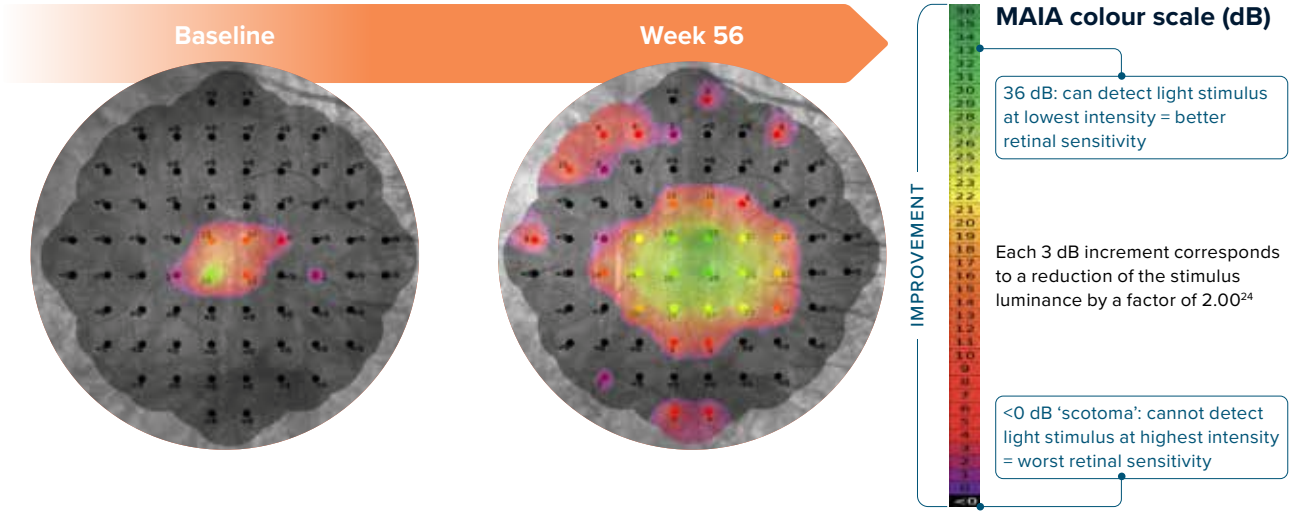
FDA threshold[21]

Clinically meaningful change[21,22]

RP11 Natural Disease Progression Line of fit (~2 letters per year)[23]

20 All patient cohorts receiving > 30 mcg of VP-001 as first dose. Analysis of the treated eye of patients enrolled in interventional trial who have received multiple doses of VP-001, with LLVA >0 at baseline who do not have a confirmed mutation in a second RP gene.
21 A >10 letter change in visual acuity is considered clinically meaningful and >15 letter change has become a standard outcome measure in clinical trials – See Roy W. Beck MD et al. (2007) Visual acuity as an outcome measure in clinical trials of retinal diseases, Ophthalmology. doi: 10.1016/j.ophtha.2007.06.047
22 Idebenone was approved by the EMA using a clinically relevant benefit definition of >10 letter gain of visual acuity for patients with on-chart visual acuity at baseline – see Definition of outcome measures Yu-Wai-Man et al. (2024) Therapeutic benefit of idebenone in patients with Leber hereditary optic neuropathy: The LEROS nonrandomized controlled trial, Cell Reports Medicine. doi: 10.1016/j.xcrm.2024.101437
23 Line of fit of data collected from RP11 patients enrolled in PYC's Natural History Study followed for at least 52 weeks

Microperimetry results demonstrating enhanced retinal sensitivity in an RP11 patient eye treated with VP-001



"She now sees airplanes in the sky (never had before), stars at night, animals/creatures along the road and on their hikes frequently. She got up to walk out from her most recent visit here and forgot her cane because she just doesn't need it as much anymore. The stories go on."

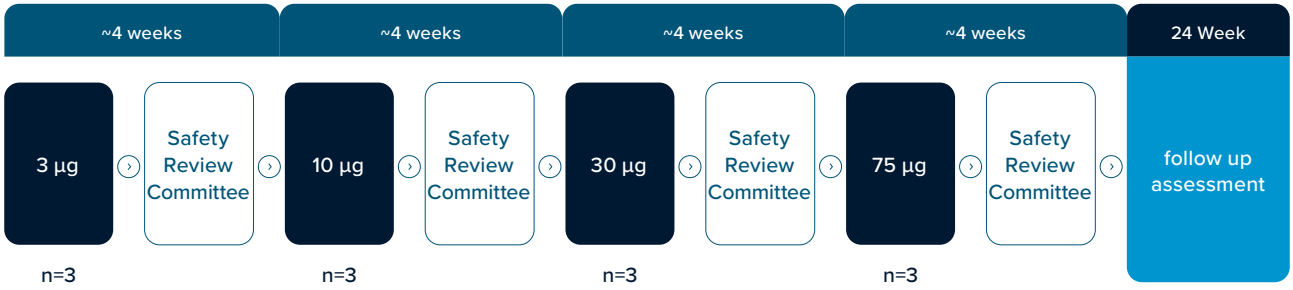
– Voluntary feedback provided through a Principal Investigator conducting the Multiple Ascending Dose trial relayed from an RP11 patient participating in this study.

24 Section 2.1.1 from Pfau et. al. Fundus controlled perimetry (microperimetry): Application as outcome measure in clinical trials in Progress in Retinal and Eye Research. Volume 82, May 2021, 100907. Patient has received multiple 30ug doses of VP-001.

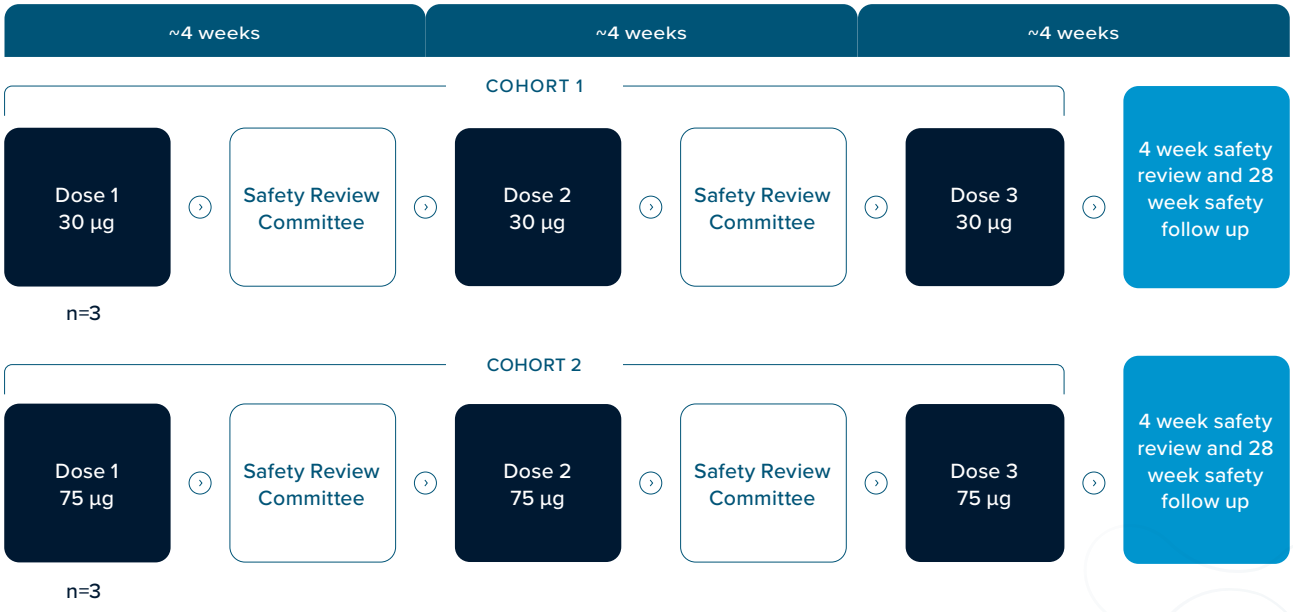
VP-001 – RETINITIS PIGMENTOSA TYPE 11 (RP11) (CONT'D)

Overview of VP-001 clinical studies completed to date

Single ascending dose Phase 1 study



Multiple ascending dose Phase 1 study



PYC-001 – Autosomal Dominant Optic Atrophy (ADOA)

ADOA is a blinding eye disease with no treatment options available today. There are an estimated 9,000 – 16,000[26] addressable patients in the Western World representing an estimated market of $2 billion p.a. The median age of disease onset in this patient population is 7 years of age.

Phase 1
clinical trial progressing through ascending doses

No treatment related serious adverse events
seen in clinical trials to date

No treatment
currently available to treat the underlying cause of this disease

$2 billion p.a.
estimated addressable market size[25]

Orphan Drug and Rare Pediatric Disease Designation
received from FDA

ADOA is caused by a mutation in the *OPA1* gene which causes the patient to produce insufficient levels of the OPA1 protein required for normal mitochondrial function which leads to retinal impairment. PYC-001 seeks to address the underlying cause of ADOA by increasing OPA1 protein expression in the affected retinal ganglion cells.

During the last 12 months, the PYC-001 program has:

- Received regulatory approval to commence clinical trials in ADOA patients[27]
- Successfully dosed patients in all cohorts of Single Ascending Dose (SAD) Study.

Over the next 12 months, the ADOA program is expected to progress into a multiple dose format in patients with ADOA providing multiple safety and efficacy readouts.

25 Market size is projected by multiplying patient prevalence per indication by the median orphan drug price of $150k p.a. EvaluatePharma. Orphan Drug Report. 2019. Refer to page 26 for prevalence of indication
26 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 2
27 See ASX announcement 15 August 2024

PYC-001 – AUTOSOMAL DOMINANT OPTIC ATROPHY (ADOA) (CONT'D)

PYC-001 Single Ascending Dose Trial

PYC-003 – Polycystic Kidney Disease (PKD)

Phase 1a/1b study
currently underway in healthy volunteers and PKD patients

>10 million patients
worldwide with PKD[28]

No treatment currently available
to treat the underlying cause of this disease

>$10 billion p.a.
estimated addressable market size[29]

PKD affects 1 in every 1,000 people across the globe. There are currently no drugs available that address the underlying cause of the disease and approximately 50% of PKD patients will progress to end-stage renal failure by the age of 60. PKD is characterised by the formation of multiple fluid filled cysts throughout the kidney and, to a lesser extent, other organs.

Progression of the number and volume of cysts over time ultimately leads to destruction of the internal architecture and function of the kidney and the need for kidney transplantation.

During FY25 PYC-003 has:

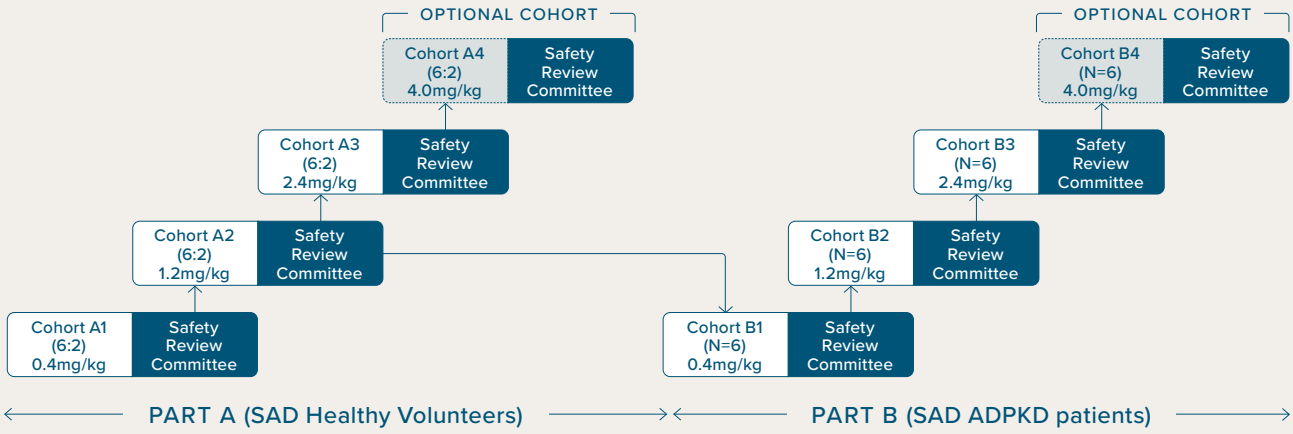
- Commenced clinical trials in healthy volunteers with no Serious Adverse Events observed in the first three cohorts of healthy volunteers dosed enabling progression to dosing of PKD patients in 2H 2025.
- Demonstrated the ability to increase PC1 protein expression in the kidneys of Non-Human Primates (NHPs). Deficient PC1 protein is the underlying cause of PKD and restoring its expression has been shown to reverse the disease process in animal models of PKD[30]

The next 12 months are expected to yield safety and efficacy data for PYC-003 in PKD patients in an indication that is of great interest to the pharmaceutical industry.

28 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.
29 Market size is projected by multiplying patient prevalence per indication by the median orphan drug price of $150k p.a. EvaluatePharma. Orphan Drug Report. 2019. Refer to page 26 for prevalence of indication
30 See ASX announcement 27 November 2024. Dong K, Zhang C, Tian X, Coman D, Hyder F, Ma M, Somlo S. Renal plasticity revealed through reversal of polycystic kidney disease in mice. Nat Genet. 2021 Dec;53(12):1649-1663. doi: 10.1038/s41588-021-00946-4. Epub 2021 Oct 11. PMID: 34635846; PMCID: PMC9278957.

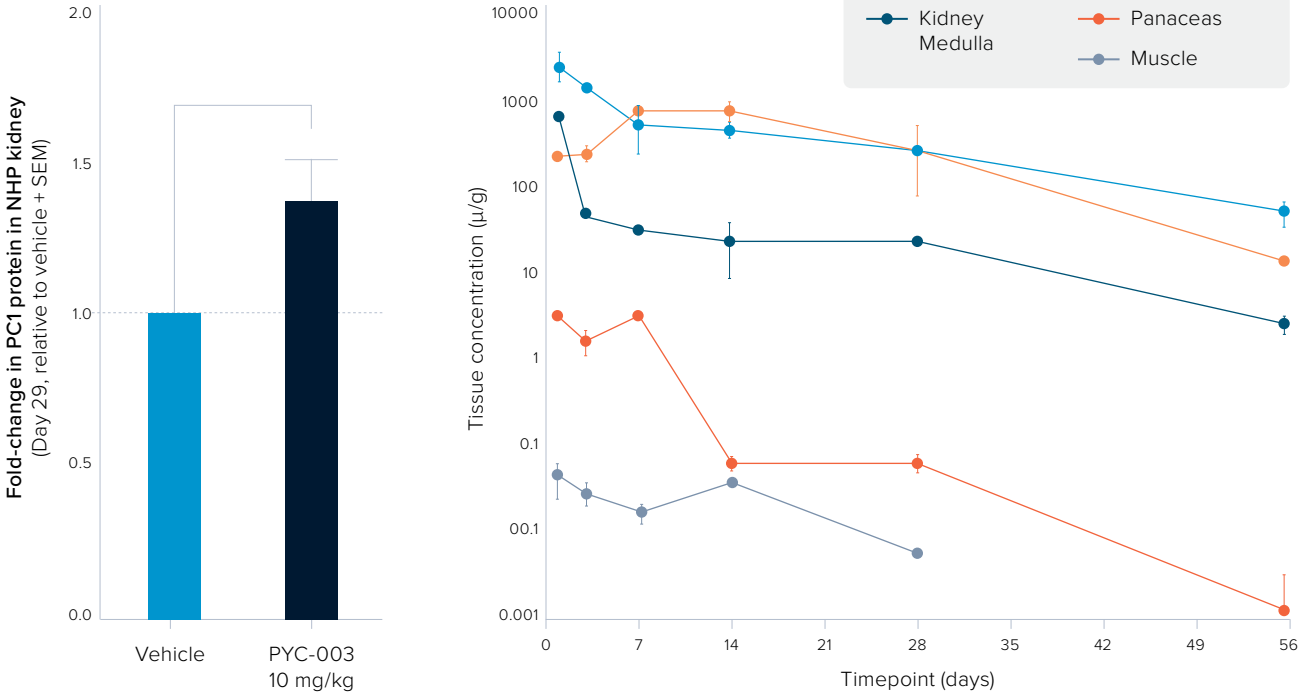
PYC-003 – POLYCYSTIC KIDNEY DISEASE (PKD) (CONT'D)

PYC-003 Open Label Single Ascending Dose Trial Overview



PYC-003 has completed pre-clinical studies demonstrating the drug candidate is both safe and effective in animal and patient-derived models. PYC-003 demonstrated the ability to increase PC1 protein expression in the kidneys of Non-Human Primates (NHP) at safe and well-tolerated doses. the

Pharmacokinetic studies in NHPs also confirmed that PYC-003 preferentially distributed to the target organ at high concentrations.



PYC-003 – POLYCYSTIC KIDNEY DISEASE (PKD) (CONT'D)

Human 3D model generated using tissue collected directly from the kidneys of PKD patients demonstrating reduction in cyst size and frequency following treatment with PYC-003. The assay shows larger cysts (stained in blue and red) in the untreated 3D model when compared to the PYC-003 treated model.[31]

31 See ASX announcement 13 November 2023.

PYC-002 – Phelan McDermid Syndrome (PMS)

Pre-clinical studies
currently underway

1 in every 10,000
people worldwide are affected by PMS[32]

No treatment currently available
currently available to treat the underlying cause of this disease

$5 billion p.a.
estimated addressable market size[33]

PMS is a genetic disorder affecting 1 in every 10,000 people that affects brain development and function and results in a range of intellectual and physical disabilities. PYC-002 seeks to address the underlying cause of PMS by increasing the expression of the *SHANK3* gene in neurons (brain cells) of PMS patients.

There are currently no treatments available for patients with PMS that address the underlying cause of the disease.

During the last 12 months, PYC-002 demonstrated the following:

- PYC-002 restores the missing gene expression that causes PMS back to levels observed in unaffected individuals in brain cells derived from patients with PMS. Additionally, PYC-002 demonstrated enhanced levels of communication occurring between these brain cells – an indicator of brain activity.[34]
- *In vivo* data demonstrating PYC-002 effectively controls target gene expression in the key regions of the brain implicated in PMS.

The PMS program will proceed through the final toxicology and pharmacokinetic studies in 2H 2025 before initiating formal Investigational New Drug (IND) – enabling studies to facilitate the commencement of human trials in 2026.

32 Phelan-McDermid Syndrome Foundation. https://pmsf.org/about-pms/
33 Market size is projected by multiplying patient prevalence per indication by the median orphan drug price of $150k p.a. EvaluatePharma. Orphan Drug Report. 2019. Refer to page 26 for prevalence of indication
34 See ASX announcement 27 June 2025.

Discovery Pipeline

The Company continued the development of its discovery pipeline over the course of the last twelve months with several opportunities identified to expand existing programs into new high value indications as well as further expanding the Company's development pipeline.

Financial Review

With cash on hand and anticipated R&D tax rebates, PYC expects to have over $190 million available to advance its drug programs through multiple safety and efficacy readouts. The Group had cash and cash equivalents on hand at 30 June 2025 of $153.1 million (30 June 2024: $66.9 million). The Company expects to receive a total estimated $40 million R&D tax rebate from the ATO in FY26 and FY27 yielding over $190 million in total available funding as of the date of this report.

In April 2025 the Company completed a $146 million (before costs) accelerated non-renounceable entitlement offer with all shares offered under the entitlement offer subscribed for by existing and new shareholders. The proceeds are expected to fund the Company into CY 2027 and facilitate human safety and efficacy data readouts across the pipeline of programs over the next 18 months.

Total loss for the Group for the 12 months ended 30 June 2025 was $51.0 million (12 months ended 30 June 2024: $38.1 million), an increase of $12.9 million. Total income of $26.2 million was $3.3 million higher than the 12 months ended 30 June 2024 due to a $5.9 million increase in the R&D tax incentive income, attributable to higher R&D expenditure during the period, and a $1.9 million increase in interest income due to cash reserves held on deposit. This was partially offset by a reduction in income attributable to the AI drug discovery collaboration which commenced in FY24 ($4.5m reduction). R&D expenditure increased $13.7 million to $70.1 million driven by the progression of the clinical stage drug development programs. General and administrative expenses of $7.1m were $2.6m higher than the 12 months ended 30 June 2024 attributable to foreign exchange impacts of increased foreign currency denominated contracts and the write back of share-based payment expenses in the prior period.

Business Risks

The Company's short to medium term operational and financial success may be impacted by a number of factors which may be material to the Company's future success. Some of these risks and mitigation strategies include, but are not limited to:

Risk	Mitigation and management strategies
Funding	The continuing viability of the Group is dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage. An inability to obtain funding, as and when needed, would have a negative impact on the Group's financial condition and the ability to pursue its business strategies. If the Group is unable to obtain the required funding to run its operations and to develop and commercialise its drug candidates, the Group could be forced to delay, reduce or eliminate some or all of its research and development programs, which could adversely affect its business prospects. The Groups financial forecasts are dependent on funding received from the Australian Tax Office via the R&D tax incentive to progress the development of its drug pipeline. Any significant changes to this tax legislation and PYC's eligibility to claim expenditure under this incentive would have an impact on the funding of the Company. Management proactively explores opportunities to out license programs in its development pipelines whilst continuing to engage with equity market investors to ensure sufficient capital is available to the Group to enable progression of the Group's pipeline of drug development programs.
Drug development	Drug development is a long and highly regulated process with many identified potential risks. Whilst the Company completes significant in-vitro and in-vivo studies prior to commencing a in-human clinical trial, there remains a risk that the safety and efficacy of the drug candidate may not be evident in clinical trials to enable registration of the drug with authorities and ultimately leading to being unable to commercialise the drug program. PYC mitigates this risk by pursuing monogenic indications which studies have shown have a 5x greater probability of clinical success[42]. Additionally, PYC utilises patient derived models in pre-clinical studies to give the greatest insight into the drug candidates effectiveness prior to committing to proceeding any drug candidate into in human clinical trials.
Foreign Currency Risk	As programs progress into clinical development, a significant proportion of the Company's expenditure is denominated in US dollars exposing the Company to fluctuations in its operating costs and consequently costs may exceed those forecast to reach milestones with current funding. The Company holds reserves of USD for upcoming USD supplier payments and proactively acquires additional USD reserves when FX rates are in the Company's favour.

42 Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank https://doi.org/10.1101/2020.11.02.20222232

Risk	Mitigation and management strategies
Competitive landscape	One of PYC's strategic advantages is pursuing indications which currently have no treatment available to patients. The development of a treatment for an indication PYC is pursuing by a competitor would have a negative effect on the value of PYC's program due to either the competitor receiving approval for a therapeutic prior to PYC receiving regulatory approval or the competitor receiving regulatory approval for a superior therapeutic after PYC commercialises the program and consequently reduces PYC's market share. Management continually reviews the progress of competitors including reproducing competitor data to assess against PYC's drug candidates. The Company also retains numerous industry experts, including IP attorneys, to assess the competitive landscape.
IP	PYC's drug programs are protected by an extensive suite of granted and pending international patents, and also depends on proprietary know-how, trade secrets, and confidential information. If any of these be compromised, struck down, or otherwise rendered indefensible, PYC's ability to realise value from the asset may be severely compromised. PYC retains the services of a leading IP attorney to manage and maintain its international IP rights. PYC continually reviews the IP landscape for indications it is pursuing to ensure IP protection is retained.
Regulatory changes	PYC's commercial success is dependent on the ability to access regulatory and commercial incentives available to it including, but not limited to, the Orphan Drug Act of 1983 passed in the United States of America. Significant regulatory changes could impact PYC's ability to receive approval to market any of the drugs in its pipeline or provide sufficient returns to investors once marketed. The Company pays close attention to regulatory changes across its targeted markets and utilises regulatory consultants where appropriate.
Dependence on commercial partners	Due to the nature of the biotech industry, PYC is reliant on third parties to complete various stages of the program development. This includes, but not limited to, manufacturing of test materials, conducting in-vivo and in-vitro studies and management of clinical trials. The successful performance of these contracts are critical to the success of PYC's drug development programs. The Company ensures any third parties contracted are reputable through reference checks with industry contacts. PYC utilises suppliers, where appropriate, that have passed FDA audits to ensure materials and study results received comply with regulatory requirements.

Risk	Mitigation and management strategies
Regulatory approvals	The ultimate success of PYC's drug programs is regulatory approval to commercialise the drug for patient use. Prior to this, approval is required by these regulators to allow PYC to conduct clinical trials in human patients to assess the safety and efficacy of the drug. The inability to obtain these approvals from regulators impacts PYC's ability to progress its drug programs into clinical studies and ultimately commercialisation. PYC actively engages with the US Food & Drug Administration (FDA) throughout the pre-clinical and clinical process to ensure studies and endpoints are tailored to provide sufficient data to enable regulatory approvals. This includes, but not limited to, pre-IND meetings with the FDA and applications for designations including "Fast-Track" status and Orphan Drug Designation which provides additional interactions with the FDA throughout the clinical trial process.

Disease prevalence references

Program	References for prevalence estimate
Retinitis Pigmentosa type 11	• Daiger S, et al. 'Genes and Mutations Causing Autosomal Dominant Retinitis Pigmentosa' Cold Spring Harb. Perspect. Med. 2014;5 • Ellingford J, et al. 'Molecular findings from 537 individuals with inherited retinal disease' J Med Genet. 2016;53, 761-776 • 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 • Sullivan L, et al. Prevalence of Mutations in eyeGENE Probands with a diagnosis of autosomal dominant retinitis pigmentosa. Invest Ophthalmol Vis Sci. 2013;54(9):6255-61 • Rose A, and Bhattacharya S. Variant haploinsufficiency and phenotypic non-penetrance in PRPF31-associated retinitis pigmentosa. Clin Genet, 2016;90: 118-126.
Autosomal Dominant Polycystic Kidney Disease	• 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. • Lakhia R, et al. PKD1 and PKD2 mRNA cis-inhibition drives polycystic kidney disease progression. Nature Communications. 2022;13(1). • Cloutier et al. The societal economic burden of autosomal dominant polycystic kidney disease in the United States. BMC Health Serv Res. 2020;20(1):126. • Willey et al. Analysis of Nationwide Data to Determine the Incidence and Diagnosed Prevalence of Autosomal Dominant Polycystic Kidney Disease in the USA: 2013-2015. Kidney Dis (Basel). 2019;5(2):107-17.
Autosomal Dominant Optic Atrophy	• 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 • Amati-Bonneau, P. et al. OPA1-associated disorders: phenotypes and pathophysiology. The international journal of biochemistry & cell biology, 2009;41(10), 1855–1865. doi: 10.1016/j.biocel.2009.04.012
Phelan-McDermid Syndrome	• Cochoy DM, et al. Phenotypic and functional analysis of SHANK3 stop mutations identified in individuals with ASD and/or ID. Mol. Autism. 2015;6(23) doi: 10.1186/s13229-015-0020-5 2. • Zeidan J, et al. Global prevalence of autism: A systematic review update. Autism Research. 2022;1–13. doi: 10.1002/aur.2696 3. • https://pmsf.org/about-pms/

Directors' Report

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of PYC Therapeutics Limited (referred to hereafter as the 'Company' or 'Parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025, and the audit report thereon.

1. Directors

The following persons were Directors of PYC Therapeutics Limited and its controlled entities during the whole of the financial year and up to the date of this report, unless otherwise stated:

Alan Tribe
Non-Executive Director and Chairperson

Dr Rohan Hockings
Executive Director & Chief Executive Officer

Dr Michael Rosenblatt
Non-Executive Director

Jason Haddock
Non-Executive Director

Information on Directors

Name:
Alan Tribe

Title:
Non-Executive Director and Chairperson
– Appointed 11 April 2018

Experience and expertise:
Mr Tribe has a background in the accounting profession both in the UK and Australia. Moving into industry he became the Managing Director of a group of companies with interests in natural resources in Australia and overseas. The group also included a technology Group which grew through both successful product development and acquisitions.

He was closely involved in establishing subsidiary operations in the USA, UK and Singapore to access markets worldwide.

Most recently he was the catalyst for the development of large retail operations in Western and South Australia.

Mr Tribe will contribute his broad experience in successfully commercialising technology internationally. He represents a large shareholding in PYC

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
186,726,741 Ordinary shares

Interests in options:
Nil

Name:
Dr Rohan Hockings M.B.B.S (Hons.), J.D., G.D.L.P

Title:
Executive Director & Chief Executive Officer
– Appointed 30 November 2018

Experience and expertise:
Dr Hockings spent four years with McKinsey & Company and a further two years in the Private Equity industry before joining PYC Therapeutics. He brings a deep affinity for conceptual thinking to PYC Therapeutics along with an understanding of the company's technology and its commercialisation path.

Dr Hockings is a founding principal of a private equity fund active in the acquisition of health care assets within Australia. His previous roles include strategy and operational advisory positions with a global management consulting firm, equity capital markets experience as a solicitor with a national law firm and a number of appointments as a medical practitioner. Dr Hockings has a special interest in both venture capital and private equity within the healthcare industry.

Dr Hockings holds double degrees in medicine and law. He has worked across both disciplines following an internship at Sir Charles Gairdner Hospital and admission to practice in the Supreme Court of Victoria respectively.

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
Nil

Interests in options:
Nil

Information on Directors (cont'd)

Name:
Dr Michael Rosenblatt BA, MD

Title:
Non-Executive Director – Appointed 17 March 2021

Experience and expertise:
Dr Rosenblatt is currently a Senior Partner of Flagship Pioneering.

Dr Rosenblatt joined Flagship from Merck, where he served as Executive Vice President and Chief Medical Officer from 2009 to 2016. During an earlier period at Merck, he led drug discovery efforts in ophthalmology, molecular biology, bone biology, virology, cancer research, gastroenterology, lipid metabolism and cardiovascular research.

He has held appointments as Dean of Tufts University School of Medicine; Robert H. Ebert Professor of Molecular Medicine and George R. Minot Professor of Medicine, both at Harvard Medical School; President, Harvard Faculty Dean and Senior Vice President for Academic Programs of Beth Israel Deaconess Medical Center; and Director of the Harvard-MIT Division of Health Sciences and Technology.

Dr Rosenblatt has served as a founding scientist, scientific advisory board member or director of more than 12 biopharmaceutical companies. He received his BA summa cum laude from Columbia University and his MD magna cum laude from Harvard Medical School, and completed internship, residency and endocrinology training at the Massachusetts General Hospital.

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
Nil

Interests in options:
250,000 unlisted options exercisable by the payment of $1.70 on or before 23 March 2031.

Name:
Jason Haddock BS, MBA

Title:
Non-Executive Director
– Appointed 29 March 2021

Experience and expertise:
Jason Haddock has more than 20 years of financial and operational experience in the biopharmaceutical industry. He served as CFO at Array BioPharma, Inc., where he was instrumental in the execution of an oncology-focused research, development and commercialization strategy that culminated in the successful launch of two new drugs and the company ultimately being acquired by Pfizer.

Prior, he worked at Bristol-Myers Squibb in a variety of finance, strategic, commercial and business development capacities, including CFO and COO roles for business units in Asia Pacific, Europe and the United States. Mr. Haddock has also served as CFO for ArcherDX as the company was acquired by Invitae to create a global leader in comprehensive cancer genetics and precision oncology. He holds a BS in accounting from Illinois State University and an EMBA from Washington University in St. Louis.

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
Nil

Interests in options:
250,000 unlisted options exercisable by the payment of $1.70 on or before 29 March 2031.

2. Company Secretary

Andrew Taylor BComm, CA, GAICD

Chief Financial Officer & Company Secretary – Commenced 19 April 2022

Mr Taylor holds a Bachelor of Commerce Degree and is a Chartered Accountant. Mr Taylor has more than 15 years of professional experience holding senior finance positions with ASX listed companies and an international accounting firm. He has overseen the management of financial operations in North and South America and completed numerous debt and equity raisings on public markets.

Kevin Hart BComm, FCA

Company Secretary – Appointed 24 July 2017

Mr Hart holds a Bachelor of Commerce Degree and is a Chartered Accountant. Mr Hart has more than 30 years of professional experience with the accounting and management of public companies.

3. Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Alan Tribe	6	6
Dr Rohan Hockings	6	6
Jason Haddock	5	6
Dr Michael Rosenblatt	6	6

Held: represents the number of meetings held during the time the Director held office.

4. Principal activities

During the financial year the principal continuing activities of the Group consisted of drug development and progressing the Company's drug pipeline through preclinical and clinical development.

5. Operating Results and Financial Position

Financial performance

The consolidated results of the Group for the year reflects the Group's investment in advancing its drug development programs.

	2025 $	2024 $
Operating loss after tax	(51,013,174)	(38,110,459)
R&D tax incentive income	23,494,347	17,559,314

Financial position

At 30 June 2025, the Group had cash reserves of $153,050,216 (2024: $66,874,579) and net current assets of $165,209,333 (2024: $76,507,364).

The ongoing operations of the Group are dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage. The Group expects to be able to finance these activities via the issuance of additional equity in the Company or via out licensing a program in the Group's development pipeline. The financial report has been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of its liabilities in the normal course of business. However, there is a material uncertainty associated with the ability to execute these transactions at the time and the amount needed to meet the Group's requirements. Refer to Note 1 for further details.

6. Review of Activities

Corporate

During the year the Group was focused on advancing its pipeline of first-in-class precision therapies in areas of major unmet patient need. The Company has made material progress in all three drug development programs covering two blinding eye diseases and a form of chronic kidney disease. PYC has also advanced a fourth drug discovery program in a severe neurodevelopmental disorder towards human trials. Collectively, these four indications affect 1 in every 1,000 people.

Initial human safety and efficacy data was established for the Company's RNA-conjugate platform technology through the Company's lead program in Retinitis Pigmentosa. These results herald the start of the critical 'clinical proof of concept' window during which the Company expects human safety and efficacy data across all three development programs within the next 18 months.

The Company successfully completed a $146 million capital raising, before costs, in April 2025 to existing and new institutional investors. The funds raised will be used to progress through ongoing trials in the Company's clinical programs, progression of the Company's fourth drug development program into clinical studies, continued expansion of the Company's drug delivery platform and to provide general working capital.

6. Review of Activities (cont'd)

The Company increased its shareholding in Vision Pharma Pty Ltd, the entity that owns VP-001, during the period taking its ownership to 97.1% (previously 96.2%) at 30 June 2025. Vision Pharma undertook a $20 million recapitalisation with the Company taking up both its $19.2 million pro rata entitlement and the $0.8 million shortfall created by Lions Eye Institute declining to participate in the fundraising round. Funds raised will be used to progress the VP-001 program through late-stage clinical trials.

Operational

Operational highlights during the year and up to the date of this report include:

- PYC's investigational drug candidate for Retinitis Pigmentosa type 11 (RP11) presented proof of concept data at leading industry conferences in the RP11 program (VP-001) with multiple patients showing vision improvement at the two highest doses. This data has been supported by multiple patient reported improvements in their visual acuity. The drug candidate has demonstrated it is safe and well- tolerated with no treatment or procedure-related serious adverse events reported in any patient who has received this drug candidate to date. The Company has aligned with the FDA on a regulatory pathway for this program and expects to commence a registrational study in 2026.;
- Commencement of dosing of patients in the drug candidate (Known as PYC-003) targeting Polycystic Kidney Disease, an indication affecting 1 in every 1,000 people. The Dosing of patients in the Single Ascending Dose Study was facilitated by the dosing of the first 3 cohorts of healthy volunteers in this study following the review of safety data in these cohorts. Pre-clinical studies completed during the period demonstrated safety and efficacy of this drug candidate in animal models and models derived from PKD patient cells.;
- During FY2025, the ADOA program (PYC-001) commenced a clinical study in patients with ADOA, with the Safety Review Committee approving dose escalation through the initial 2 patient cohorts following review of the safety data generated in the study. This program is expected to advance to a multiple dosing trial format in the second half of 2025 with human efficacy data expected to be generated in the next 12 months.;
- PYC-002, the drug candidate for Phelan McDermid Syndrome (PMS), has demonstrated restoration of missing gene expression and correction of functional deficits in patient-derived brain cells, as well as effective control of target gene expression in key brain regions in vivo, supporting its progression into clinical development. The program is scheduled to progress to human trials in 2026.;
- The Company continued to engage in drug discovery activities with a view to further expansion of its drug development pipeline over time.

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

8. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

9. Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

10. Indemnities and insurance premiums for officers

During the financial year, the Group paid a premium to insure the directors and secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

11. Non-audit services

During the year, PricewaterhouseCoopers, the Group's auditor, has performed certain other services in addition to their statutory duties related to the provision of income tax and R&D compliance services. No other services were provided by PricewaterhouseCoopers during the year.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor.
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing the risks and rewards.

Details of the amounts paid to the auditor of the Group, PricewaterhouseCoopers and its network firms, for audit and non-audit services provided during the year are found in note 23 of the notes to the financial statements.

12. Shares under option

Unissued ordinary shares of PYC Therapeutics Limited and its controlled entities under option at the date of this report are as follows:

Grant date	Expire date	Exercise price	Number under option
23/03/2021	28/02/2031	$1.70	200,000
23/03/2021	23/03/2031	$1.70	250,000
23/03/2021	29/03/2031	$1.70	250,000
20/04/2022	20/04/2026	$1.70	240,000
30/09/2022	30/09/2026	$1.70	1,430,000
10/02/2023	10/02/2027	$1.70	50,000
28/09/2023	28/09/2027	$0.90	33,334
01/10/2023	01/10/2027	$0.90	250,000
22/05/2024	22/05/2028	$1.70	1,700,000
01/07/2024	01/07/2028	$1.70	200,000
12/11/2024	12/11/2028	$3.00	1,200,000
			5,803,334

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

13. Shares issued on the exercise of options

There were no ordinary shares of PYC Therapeutics Limited issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted.

14. Environmental regulation

The Group complies with all laboratory practice regulations, including, Materials and Materials Handling Practice, Animal Handling Practice, and Office of the Gene Technology Regulator (OGTR) Approval.

15. Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- 15.1 Principles used to determine the nature and amount of remuneration
- 15.2 Service agreements
- 15.3 Details of remuneration
- 15.4 Share-based compensation

15. Remuneration report (audited) (cont'd)

15.1. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- achievement of strategic objectives
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives
- establishment of revenue streams and growth of the Group's share price

Additionally, the reward framework should seek to enhance the Group's executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and executive Director remuneration is separate.

15. Remuneration report (audited) (cont'd)

15.1. Principles used to determine the nature and amount of remuneration (cont'd)

Non-Executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 27 November 2014, where the shareholders approved a maximum annual aggregate remuneration of $300,000, excluding share-based remuneration. Options issued to the Non-Executive Directors have been approved by the Board.

The Group makes contributions at the statutory minimum rate to superannuation funds nominated by Directors, in addition to the base fee.

Directors' fees cover all main board activities and committee memberships.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and Group performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the Group with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include progressing the Company's drug programs and creation of a pipeline of discovery assets.

15. Remuneration report (audited) (cont'd)

15.1. Principles used to determine the nature and amount of remuneration (cont'd)

Executive remuneration (cont'd)

Short Term Incentives are usually in the form of cash bonuses calculated based on achievement of Key Performance Indicators (KPI's). Dr Rohan Hockings was awarded a cash bonus of $198,000 during the year ended 30 June 2025 as recognition of the progression of the Company's drug development assets in accordance with the terms of his service agreement. No Short-Term Incentive cash bonus was paid to executives for the year ended 30 June 2024.

The long-term incentives ('LTI') include long service leave and the Employee Share Option Plan. Long term incentives for senior executives are through the grant of share options vesting over time. The options are granted free of charge and are exercisable at a fixed price. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

Consolidated entity performance and link to remuneration

Performance linked compensation includes short term incentives (STI), in the form of cash bonuses paid upon the achievement of predetermined Key Performance Indicators (KPI), and long-term incentives (LTI) provided as options under the Employee Share Option Plan. In the case of Executive Directors, the number and conditions of the options are approved by the shareholders in general meeting.

Consequences of performance on shareholders' wealth

The Board has regard to a broad range of factors in considering the Group's performance and how best to generate shareholder value. These include financial factors, progression of the Company's pipeline of clinical and pre-clinical assets, staff development etc. The Board has some, but not absolute regard to the Group's result and cash consumption during the year. It does not utilise earnings per share as a performance measure nor does it contemplate consideration of any dividends in the short to medium term, given that efforts are being expended to build the business and generate self-sustaining revenue streams. The Group is of the view that any adverse movement in the Group's share price should not be taken into account in assessing the performance of employees, unless such a measure is agreed with the executive as a KPI.

Use of remuneration consultants

During the financial year ended 30 June 2025, the Group, through the Board, did not engage the services of remuneration consultants.

15. Remuneration report (audited) (cont'd)

15.2. Service agreements

Name	Dr Rohan Hockings
Position	Executive Director & Chief Executive Officer
Term Expiring	No fixed term
Salary	$395,000
STI	Payment of up to $198,000. The performance criteria, assessment and timing are determined at the discretion of the Board
Options	Nil
Termination Notice	If terminated by the Group, twelve months' notice and two months' notice by the individual.

15.3. Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Leave entitlement	Share-based payments	
2025	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Annual leave and Long service leave $	Value of options $	Total $
Non-Executive Directors:							
A Tribe	71,749	-	-	8,251	-	-	80,000
J Haddock[1]	77,133	-	-	-	-	-	77,133
Dr M Rosenblatt[1]	77,133	-	-	-	-	-	77,133
Executive Directors:							
Dr R Hockings[2]	395,000	198,000	-	-	32,478	-	625,478
	621,015	198,000	-	8,251	32,478	-	859,744

1. Mr J Haddock and Dr M Rosenblatt are remunerated in USD. Their cash salary and fees for FY25 have been converted to AUD using an average rate of 0.6482.
2. Dr R Hockings' cash salary and fees are paid under a contractor arrangement.

The Group pays an insurance premium for Group reimbursement and Directors' and Officers' liability insurance as a combined amount. The portion of the premium which relates to Directors and Officers has not been included as part of remuneration.

15. Remuneration report (audited) (cont'd)

15.3. Details of remuneration (cont'd)

Amounts of remuneration (cont'd)

	Short-term benefits			Post-employment benefits	Leave entitlement	Share-based payments	
2024	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Annual leave and Long service leave $	Value of options $	Total $
Non-Executive Directors:							
A Tribe	63,063	-	-	6,937	-	-	70,000
J Haddock[1]	68,637	-	-	-	-	18,029	86,666
Dr M Rosenblatt[1]	68,637	-	-	-	-	18,029	86,666
Executive Directors:							
Dr R Hockings[2]	395,000	-	-	-	38,210	-	433,210
	595,337	-	-	6,937	38,210	36,058	676,542

1. Mr J Haddock and Dr M Rosenblatt are remunerated in USD. Their cash salary and fees for FY24 have been converted to AUD using an average rate of 0.6556.
2. Dr R Hockings' cash salary and fees are paid under a contractor arrangement.

The Group pays an insurance premium for Group reimbursement and Directors' and Officers' liability insurance as a combined amount. The portion of the premium which relates to Directors and Officers has not been included as part of remuneration.

15.4. Share-based compensation

Options

All options refer to options over ordinary share of PYC Therapeutics Limited which are exercisable on a one-for-one basis.

During the year ended 30 June 2025, no options over ordinary shares in the Group were granted as compensation to key management personnel (30 June 2024: nil).

Exercise of options granted as compensation

No options were exercised by key management personnel during the period ending 30 June 2025 (30 June 2024: nil).

Options granted carry no dividend or voting rights. There are no other service conditions associated with these options other than the service period.

Analysis of options and rights over equity instruments granted as compensation

15. Remuneration report (audited) (cont'd)

15.4. Share-based compensation (cont'd)

Exercise of options granted as compensation (cont'd)

The methodology used to arrive at a fair value of the options issued during the current financial year is set out in Note 32.

Key Management Personnel	Balance at 1 July 2024	Granted as compensation	Exercised	Other changes	Balance at 30 June 2025	Vested during the year	Vested & Exercisable 30 June 2025
Directors							
A Tribe	-	-	-	-	-	-	-
Dr R Hockings	-	-	-	-	-	-	-
Dr M Rosenblatt	250,000	-	-	-	250,000	-	250,000
J Haddock	250,000	-	-	-	250,000	-	250,000

The options held by Dr M Rosenblatt and Mr J Haddock have an exercise price of $1.70 and an expiry date of 23 March 2031 and 29 March 2031 respectively.

Shareholdings

The movement during the reporting period in the number of ordinary shares in the Group held, directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

Key Management Personnel	Balance 1 July 2024	Purchases	Granted as compensation	Sales	Balance 30 June 2025
Directors					
A Tribe	158,726,741	28,000,000	-	-	186,726,741
Dr R Hockings	-	-	-	-	-
Dr M Rosenblatt	-	-	-	-	-
J Haddock	-	-	-	-	-

Key management personnel transactions

Other than the above, there were no amounts paid or payable to key management personnel during the reporting period or at reporting date.

This concludes the remuneration report, which has been audited.

16. Corporate Governance

The Group's corporate governance statement can be found on the Group's website https://pyctx.com/investors/governance-policies/

17. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

18. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors

Dr Rohan Hockings

Executive Director & Chief Executive Officer

28 August 2025

Perth

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of PYC Therapeutics Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of PYC Therapeutics Limited and the entities it controlled during the period.

Adam Thompson
Partner
PricewaterhouseCoopers

Perth
28 August 2025

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GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Financial Statements

Financial Statements Contents

General information

The financial statements cover PYC Therapeutics Limited and its controlled entities as a Group consisting of PYC Therapeutics Limited and the entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is PYC Therapeutics Limited and its controlled entities' functional and presentation currency.

PYC Therapeutics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Office 4, Level 1
174 Hampden Road
Nedlands WA 6009

Principal place of business

Harry Perkins Institute
6 Verdun Street
Nedlands WA 6009

The principal activity of the Company during the financial year was drug development and progressing the Company's drug pipeline through preclinical and clinical development.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2025. The Directors have the power to amend and reissue the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Revenue			
Other income	5	26,171,233	22,855,290
Total revenue		26,171,233	22,855,290
Expenses			
Research and development expenditure	6	(70,051,892)	(56,408,265)
General and administrative expenses	7	(7,070,292)	(4,508,275)
Finance costs		(62,223)	(49,209)
Total expenses		(77,184,407)	(60,965,749)
Loss before income tax expense		(51,013,174)	(38,110,459)
Income tax expense	8	-	-
Loss after income tax expense for the year		(51,013,174)	(38,110,459)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(51,013,174)	(38,110,459)
Loss for the year is attributable to:			
Non-controlling interest		(708,495)	(385,048)
Owners of PYC Therapeutics Limited and its controlled entities	19	(50,304,679)	(37,725,411)
		(51,013,174)	(38,110,459)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(708,495)	(385,048)
Owners of PYC Therapeutics Limited and its controlled entities		(50,304,679)	(37,725,411)
		(51,013,174)	(38,110,459)

		Cents	Cents
Basic loss per share	31	(10.05)	(9.60)
Diluted loss per share	31	(10.05)	(9.60)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

AS AT JUNE 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	9	153,050,216	66,874,579
Trade and other receivables	10	24,068,149	17,995,965
Other assets		407,834	743,959
Total current assets		177,526,199	85,614,503
Non-current assets			
Property, plant and equipment	12	945,871	523,381
Right-of-use assets	11	957,178	1,050,976
Intangibles	13	3,850,000	4,050,000
Total non-current assets		5,753,049	5,624,357
Total assets		183,279,248	91,238,860
Liabilities			
Current liabilities			
Trade and other payables	14	10,935,026	7,847,664
Lease liabilities	15	398,755	309,786
Employee benefits	16	983,085	949,689
Total current liabilities		12,316,866	9,107,139
Non-current liabilities			
Lease liabilities	15	624,987	803,006
Employee benefits	16	328,974	273,945
Total non-current liabilities		953,961	1,076,951
Total liabilities		13,270,827	10,184,090
Net assets		170,008,421	81,054,770
Equity			
Issued capital	17	369,589,374	230,575,898
Reserves	18	6,183,776	5,814,602
Accumulated losses	19	(206,199,527)	(155,894,848)
Equity attributable to the owners of PYC Therapeutics Limited and its controlled entities		169,573,623	80,495,652
Non-controlling interest	20	434,798	559,118
Total equity		170,008,421	81,054,770

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

	Issue capital	Share based payment reserve	Transactions with NCI reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity
	$	$	$	$	$	$	$
Balance at 1 July 2023	140,087,345	3,744,674	2,188,991	(101,940)	(118,169,437)	692,966	28,442,599
Loss after income tax expense for the year	-	-	-	-	(37,725,411)	(385,048)	(38,110,459)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(37,725,411)	(385,048)	(38,110,459)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 17)	90,488,553	-	-	-	-	-	90,488,553
Share-based payments (note 32)	-	247,409	-	-	-	-	247,409
Transactions with NCI	-	-	(251,200)	-	-	251,200	-
Foreign currency translation reserve	-	-	-	(13,332)	-	-	(13,332)
Balance at 30 June 2024	230,575,898	3,992,083	1,937,791	(115,272)	(155,894,848)	559,118	81,054,770

	Issue capital	Share based payment reserve	Transactions with NCI reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity
	$	$	$	$	$	$	$
Balance at 1 July 2024	230,575,898	3,992,083	1,937,791	(115,272)	(155,894,848)	559,118	81,054,770
Loss after income tax expense for the year	-	-	-	-	(50,304,679)	(708,495)	(51,013,174)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(50,304,679)	(708,495)	(51,013,174)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 17)	139,013,476	-	-	-	-	-	139,013,476
Share-based payments (note 32)	-	973,993	-	-	-	-	973,993
Transactions with NCI	-	-	(584,175)	-	-	584,175	-
Foreign currency translation reserve	-	-	-	(20,644)	-	-	(20,644)
Balance at 30 June 2025	369,589,374	4,966,076	1,353,616	(135,916)	(206,199,527)	434,798	170,008,421

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(71,586,315)	(59,884,513)
R&D tax incentive received		17,309,135	16,458,970
Interest received		2,773,549	386,415
Interest paid leases		(56,449)	(49,373)
Receipt of AI drug discovery collaboration fees		-	4,500,000
Net cash used in operating activities	29	(51,560,080)	(38,588,501)
Cash flows from investing activities			
Payments for property, plant and equipment		(975,397)	(307,044)
Net cash used in investing activities		(975,397)	(307,044)
Cash flows from financing activities			
Proceeds from issue of shares	17	145,815,911	92,057,302
Payment of transaction costs	17	(6,802,435)	(1,568,749)
Principal elements of lease payments		(357,877)	(294,485)
Net cash received from financing activities		138,655,599	90,194,068
Net increase in cash and cash equivalents		86,120,122	51,298,523
Cash and cash equivalents at the beginning of the financial year		66,874,579	15,571,534
Effects of exchange rate changes on cash and cash equivalents		55,515	4,522
Cash and cash equivalents at the end of the financial year	9	153,050,216	66,874,579

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to The Consolidated Financial Statement

30 JUNE 2025

Note 1. Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Group is a pre-commercial biotechnology company and as such does not expect to generate revenue until the commercialisation of one of its drug development programs. This may be realised by either the licensing of one of the assets in the Group's pipeline or the receipt of regulatory approval to market one of the drug candidates. The Group has incurred recurring losses and operating cash outflows since inception, including in the current financial year. The Group expects to continue incurring losses until such time as one of its programs are commercialised. The financial report has been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of its liabilities in the normal course of business.

The continuing viability of the Group is dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage. The Group expects to be able to finance these activities via the issuance of additional equity in the Company or via out licensing a program in the Group's development pipeline. The Directors intend to investigate both of these options to enable progression of the Group's planned research and development programs, however there is uncertainty associated with the ability to execute these transactions at the time and amount needed to meet the Group's requirements.

An inability to obtain funding, as and when needed, would have a negative impact on the Group's financial condition and the ability to pursue its business strategies. If the Group is unable to obtain the required funding to run its operations and to develop and commercialise its drug candidates, the Group could be forced to delay, reduce or eliminate some or all of its research and development programs, which could adversely affect its business prospects. The Group has a proven track record of successfully raising additional capital to progress the development of the pipeline of drug development programs.

Management and the Directors believe the Group will be successful in raising additional capital and accordingly have prepared the financial report on a going concern basis, notwithstanding there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge liabilities in the normal course of business.

Note 1. Material accounting policies (cont'd)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Tax legislation

PYC Therapeutics Ltd and its Australian controlled entities are not consolidated for tax purposes.

Each entity is a taxable entity and continues to account for its own current and deferred tax amounts.

Foreign currency translation

The financial statements are presented in Australian dollars, which is PYC Therapeutics Limited and its controlled entity's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Material accounting policies (cont'd)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established. Refer to note 5 for further detail on the recognition of other income.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Current and non-current classification

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Material accounting policies (cont'd)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 1. Material accounting policies (cont'd)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Material accounting policies (cont'd)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Intangible assets

The Company's intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Refer to note 13 for details about amortisation methods and periods used by the Group for intangible assets.

R&D Tax Incentive

The Group is eligible to receive a tax incentive from the Australian Tax Office for eligible research and development expenditure. The Group recognises this incentive as Other Income in the Consolidated Statement of Profit or Loss and other comprehensive income in the period the Group is eligible to receive the incentive and where the incentive can reliably be estimated. Management has used judgement and estimates

Note 2. Critical accounting judgements, estimates and assumptions (cont'd)

which it believes is reasonable in determining the value of the incentive to accrue in the reporting period which is yet to be lodged or approved by the Australian Tax Office. Management has also used judgement in assessing the likelihood of receiving approval from AusIndustry to claim Australian and International expenditure incurred in the year ended 30 June 2025 in determining the value of the incentive to accrue in the reporting period. Refer to note 5 for details on the values recognised related to this incentive.

Note 3. Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group receivables and cash investments.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group undertakes due diligence prior to entering into any collaboration, co-development or licensing agreement with a counterparty that exposes the Group to credit risk.

No receivables are past due or considered impaired at 30 June 2025 or 30 June 2024.

Trade and other receivables

The Group had no material credit risk with respect to trade and other receivables at 30 June 2025 or 30 June 2024.

Note 3. Financial risk management (cont'd)

Cash investments

The Group manages its credit risk by conducting banking activities solely with Australia and New Zealand Banking Group, Macquarie Bank and JP Morgan Chase Bank. Based on the credit ratings of these banks, management considers them likely to be able to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group does not presently use financial derivatives as a risk management tool.

Currency risk

The Group is exposed to currency risk on some purchases that are denominated in a currency other than the functional currency of the Group, the Australian dollar (AUD). The Group holds reserves of USD to satisfy short term requirements. The Group does not employ any long term hedging strategies for foreign currency risk management.

Interest rate risk

The Group does not have any borrowings. The Group invests temporarily idle funds for terms of up to three months at variable interest rates.

(i) Interest rate risk profile:

	2025 $	2024 $
At reporting date, the interest rate profile of the Group's interest bearing financial instrument was:		
Variable rate instruments		
- Financial assets	153,050,216	66,874,579

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Note 3. Financial risk management (cont'd)

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 30 June 2024.

	2025		2024	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	1,530,502	(1,530,502)	668,746	(668,746)

(ii) Fair value

The financial assets and financial liabilities of the Group are all current and therefore fair value is equal to carrying value. Consequently, the Group does not make any adjustments through the consolidated statement of profit or loss and other comprehensive income or on the consolidated statement of financial position to restate the carrying value of the financial assets and liabilities.

(iii) Foreign exchange risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the AUD, future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in the relevant currency, was as follows:

	2025		2024	
	USD	EUR	USD	EUR
Cash and cash equivalents	21,866,545	-	3,233,488	-
Trade payables	(4,020,310)	(21,489)	(2,963,840)	(5,552)

The aggregate net foreign exchange gains/losses recognised in profit or loss was $1,204,189 loss (2024: loss $493,829). The increase in foreign exchange losses is attributable to the increased level of foreign currency denominated suppliers to support the expansion of drug development programs through pre-clinical and clinical development. The Company holds an increased proportion of cash reserves in US dollars to mitigate negative movements in the Australian Dollar which contributed to foreign exchange loss for the period due to the strengthened Australian Dollar at the reporting date.

Note 3. Financial risk management (cont'd)

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held $101,249,770 in term deposits with varying lengths up to 3 months (2024: 40,700,000).

Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents (note 9) on the basis of expected cash flows. This is carried out at a Group level. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios.

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities:

2025	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total $	Carrying amount liabilities $
Trade payables	8,752,767	-	-	-	8,752,767	8,752,767
Lease liabilities	220,351	220,351	378,788	274,010	1,093,500	1,023,742
Total financial liabilities	8,973,118	220,351	378,788	274,010	9,846,267	9,776,509

2024	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total $	Carrying amount liabilities $
Trade payables	7,526,624	-	-	-	7,526,624	7,526,624
Lease liabilities	173,872	173,872	359,465	505,413	1,212,622	1,112,792
Total financial liabilities	7,700,496	173,872	359,465	505,413	8,739,246	8,639,416

Note 4. Operating segments

Identification of reportable operating segments

The Group comprises a single business segment comprising discovery and development of novel RNA therapeutics, with a single geographical location in Australia. There is an office in the US to drive formal drug development activities including regulatory engagement as well as engagements with prospective investors and business development partners. At this stage the US location is not considered a material segment separate from the Australian operations. The segment details are therefore fully reflected in the results and balances reported in the consolidated statement of comprehensive income and consolidated statement of financial position.

The Group is primarily focused on discovering and developing novel RNA therapeutics for the treatment of genetic diseases.

Note 4. Operating segments (cont'd)

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM of the Group is considered to be the CEO, Dr Rohan Hockings. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	2025 $	2024 $
R&D tax incentive	23,494,347	17,559, 314
Drug discovery collaboration	-	4,500,000
Interest income	2,676,886	795,976
Other income	26,171,233	22,855,290

R&D Tax Incentive

The Research and Development (R&D) Tax Incentive Scheme is an Australian Federal Government program under which eligible companies with annual aggregated revenue of less than $20 million can receive cash amounts equal to 43.5% of eligible research and development expenditures from the Australian Taxation Office (ATO). The R&D Tax Incentive Scheme relates to eligible expenditure incurred in Australia relating to the Group's R&D activities. The R&D tax incentive is applied annually to eligible expenditure incurred during the Group's financial year following annual application to AusIndustry, an Australian governmental agency, and subsequent filing of its Income Tax Return with the ATO after the financial year end.

The R&D Tax Incentive is recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the incentives will be received. The R&D Tax Incentive recognised in the year ended 30 June 2025 is attributable to the eligible expenditure incurred in the year ended 30 June 2025 and is expected to be received in late 2025. The R&D Tax Incentive recognised in the year ended 30 June 2024 was received in the year ended 30 June 2025.

The Company has lodged an Advanced Overseas Finding (AOF) application with AusIndustry which if received, would enable the Company to include expenditure incurred outside of Australia in the FY2025 claim. At the time of signing this report, the application is still in the review process and the Company has not received a positive or negative response from AusIndustry on the application. The Company has a history of successfully applying for AOF's and claiming internationally incurred expenditure however until such time this application is approved by AusIndustry there is a risk this expenditure may not be eligible for the R&D rebate and therefore the total amount receivable under the R&D tax incentive in relation to FY25 expenditure could be materially less than what has been recognised in the financial statements.

Note 5. Other income (cont'd)

Drug Discovery Collaboration

As announced to the ASX on 2 January 2024, PYC entered into collaboration agreement with Google Cloud and other specialised partners to build customer designed machine learning models integrated with AlphaFold and its successors, and hosted on Google Cloud's Artificial Intelligence (AI) platform, in order to create a new generation of precision medicines. PYC is responsible for funding the A$10 million project over a 12-month term via three instalments. PYC received a A$4.5m upfront collaboration fee from the specialised partners as consideration for accessing PYC's proprietary data sets and capabilities.

Note 6. Research and development expenditure

	2025 $	2024 $
Research and development expenses	70,051,892	56,408,265

Accounting policy for research and development

The accounting standards do not permit the capitalisation of development expenditure in circumstances where the Group cannot demonstrate sustainable revenue generation derived from the results of the expenditure. Research expenditure must be expensed under accounting standards. The expenditure incurred in relation to obtaining and maintaining patent protection has been expensed.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred. The Group does not currently undertake development activities as defined in AASB 138 Intangible Assets and therefore has not capitalised development expenditure.

Employee benefits expenses included in research and development expenditure:

	2025 $	2024 $
Employee benefits expenses	12,316,708	9,953,419

Note 7. General and administrative expenses

	2025 $	2024 $
Employee benefits expenses	2,371,339	1,412,075
Share-based payment expenses	973,993	247,409
Depreciation and amortisation	600,092	600,881
Professional services	435,608	569,431
Insurances	248,436	247,151
Travel and accommodation	250,152	75,786
Net foreign exchange loss	1,204,189	493,829
Audit	122,000	116,800
Other administrative expenses	864,483	744,913
	7,070,292	4,508,275

Refer to note 32 for details of share-based payments.

Note 8. Income tax

	2025 $	2024 $
(i) Income tax benefit		
The prima facie tax on the operating loss is reconciled to the income tax provided in the accounts as follows:		
Accounting profit/(loss)	(51,013,174)	(38,110,459)
Prima facie tax benefit on operating loss before income tax at 25% (2024: 25%)	12,753,294	9,527,615
Difference due to impact of overseas tax rates	(26,534)	(19,849)
Tax effect on permanent differences	(7,773,013)	(5,698,975)
Current period tax losses and temporary differences not brought to account	(4,953,747)	(3,808,791)
	-	-

Note 8. Income tax (cont'd)

(ii) Unrecognised deferred tax balances

(a) Deferred tax assets	2025 $	2024 $
The balance comprises temporary difference attributable to:		
Property, plant & equipment	-	-
Lease liabilities	255,936	278,198
Tax losses	18,005,385	15,058,704
	18,261,321	15,336,902
Other		
Employee benefits	307,373	289,640
Patents & intellectual property	12,345	13,331
S40-880 expenditure	1,608,394	509,423
Other	362,431	51,000
	2,290,543	863,394
Total unrecognised deferred tax assets	20,551,864	16,200,296
Set-off deferred tax liabilities	(640,545)	(666,568)
Net unrecognised deferred tax assets	19,911,319	15,533,728

(b) Deferred tax liabilities	2025 $	2024 $
The balance comprises temporary difference attributable to:		
Right-of-use assets	239,295	262,744
Other		
Other current assets	401,250	403,824
Total deferred tax liabilities	640,545	666,568
Set-off deferred tax liabilities	(640,545)	(666,568)
Net deferred tax assets	19,911,319	15,533,728

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

Note 8. Income tax (cont'd)

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Cash and cash equivalents

	2025 $	2024 $
Current assets		
Cash and cash equivalents	153,050,216	66,874,579

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Trade and other receivables

	2025 $	2024 $
Current assets		
GST Receivable	201,776	135,040
Interest receivable	343,667	440,329
R&D tax incentive receivable	23,393,195	17,207,984
Other receivable	129,511	212,612
	24,068,149	17,995,965

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Right-of-use assets

	2025 $	2024 $
Non-current assets		
Property leases – right-of-use	2,304,525	2,035,698
Less: Accumulated depreciation	(1,347,347)	(984,722)
	957,178	1,050,976

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	ROU Assets $
Balance at 30 June 2023	287,275
Additions	271,380
Remeasurement	820,410
Disposals	-
Depreciation expense	(328,089)
Balance at 30 June 2024	1,050,976
Additions	245,515
Remeasurement	23,312
Disposals	-
Depreciation expense	(362,625)
Balance at 30 June 2025	957,178

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 12. Property, plant and equipment

	2025 $	2024 $
Non-current assets		
Plant and equipment – at cost	4,527,005	3,551,762
Less: Accumulated depreciation	(3,581,134)	(3,028,381)
	945,871	523,381

	Offices and research equipment
Balance at 1 July 2023	755,478
Additions	307,577
Disposals	-
Depreciation expense	(539,674)
Balance at 30 June 2024	523,381
Additions	975,243
Disposals	-
Depreciation expense	(552,753)
Balance at 30 June 2025	945,871

Accounting policy for property, plant and equipment

The Group holds no property. Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office and research equipment 2-13 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 13. Intangibles

	2025 $	2024 $
Non-current assets		
Intellectual property – at cost	5,000,000	5,000,000
Less: Accumulated amortisation	(1,150,000)	(950,000)
	3,850,000	4,050,000

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 25 years.

Note 14. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	8,752,767	7,526,624
Accrued expenses	1,608,849	283,611
PAYG withholding	508,526	-
Payroll tax payable	54,119	31,141
Other payables	10,765	6,288
	10,935,026	7,847,664

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Lease liabilities

	2025 $	2024 $
Current liabilities		
Lease liability	398,755	309,786
Non-current liabilities		
Lease liability	624,987	803,006

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Refer to note 30 for movements in the lease liability during the period and note 3 for contractual cash flow outflows of leases contracted by the Group.

Note 16. Employee benefits

	2025 $	2024 $
Current liabilities		
Annual leave	900,516	884,615
Superannuation	82,569	65,074
	983,085	949,689
Non-current liabilities		
Long service leave	328,974	273,945
	328,974	273,945

Note 16. Employee benefits (cont'd)

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 17. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares – fully paid	583,260,448	466,608,341	369,589,374	230,575,898

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2023	341,650,349		140,087,345
Shares issued	14 July 2023	31,636,364	$0.55	17,400,000
Shares issued	26 March 2024	50,000,000	$0.80	40,000,000
Shares issued	15 April 2024	23,910,948	$0.80	19,128,758
Shares issued	30 April 2024	19,410,680	$0.80	15,528,544
Share issue costs		-		(1,568,749)
Balance	30 June 2024	466,608,341		230,575,898
Rounding impact of individual shareholdings 10:1 consolidation	13 Nov 2025	(622)	-	-
Shares issued	27 Feb 2025	72,984,880	$1.250	91,231,100
Shares issued	21 March 2025	11,354,090	$1.250	14,192,612
Shares issued	24 April 2025	32,313,759	$1.250	40,392,199
Share issue costs		-		(6,802,435)
Balance	30 June 2025	583,260,448		369,589,374

Note 17. Issued capital (cont'd)

On 13 November 2024, at the Company's General Meeting, shareholders approved the consolidation of the Company's issued capital and outstanding options on the basis that every 10 Shares be consolidated into 1 Share. Prior period comparatives have been translated to reflect the issued and fully paid shares and issue price on a post-consolidation basis.

On 17 February 2025, the Company launched an accelerated non-renounceable entitlement offer (ANREO) for shareholders to raise up to $145,800,000. All shares offered under the accelerated component of the offer (72,984,880) were subscribed for and issued on 26 February 2025, raising $91,231,100. The retail component was completed on 21 March 2025 with the fully underwritten shortfall of the retail offer subscribed for and settled on 24 April 2025. The retail component (11,354,090 shares) was settled on 21 March 2025, raising a total of $14,192,162. The underwritten component (32,313,759 shares) was settled on 24 April 2025, raising a total of $40,392,199 before costs.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report. refer to note 3 for further details on financial risk management.

Note 17. Issued capital (cont'd)

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 18. Reserves

	2025 $	2024 $
Foreign currency reserve	(135,916)	(115,272)
Share-based payments reserve	4,966,076	3,992,083
Transactions with NCI reserve	1,353,616	1,937,791
	6,183,776	5,814,602

Foreign currency reserve

Foreign currency translation exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised and the grant date fair value of shares issued to employees.

Transactions with NCI reserve

This reserve is used to record differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Note 19. Accumulated losses

	2025 $	2024 $
Accumulated losses at the beginning of the financial year	(155,894,848)	(118,169,437)
Loss after income tax expense for the year	(50,304,679)	(37,725,411)
Accumulated losses at the end of the financial year	(206,199,527)	(155,894,848)

Note 20. Non-controlling interest

	2025 $	2024 $
Non-controlling interest	434,798	559,118

Note 21. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Key management personnel disclosures

Directors

The following persons were Directors of PYC Therapeutics Limited and its controlled entities during the financial year:

Executive Director

Dr R Hockings	Executive Director & Chief Executive Officer

Non-Executive Directors

A Tribe	Non-Executive Chairman
Dr M Rosenblatt	Non-Executive Director
J Haddock	Non-Executive Director

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2025 $	2024 $
Short-term employee benefits	819,015	595,337
Post-employment benefits	8,251	6,937
Long-term benefits	32,478	38,210
Share-based payments	-	36,058
	859,744	676,542

Note 23. Remuneration of auditors

	2025 $	2024 $
PricewaterhouseCoopers		
Audit of financial statements	122,000	116,800
Income tax and R&D compliance services	94,250	54,000
	216,250	170,800

Note 24. Related party transactions

Parent entity

The immediate parent and ultimate controlling party of the Group is PYC Therapeutics Limited.

Note 24. Financial risk management (cont'd)

Subsidiaries

Interests in subsidiaries are set out in note 26.

Joint operations

Interests in joint operations are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2025 $	2024 $
Loss after income tax	(51,033,818)	(38,123,791)
Total comprehensive income	(51,033,818)	(38,123,791)

Statement of financial position	2025 $	2024 $
Total current assets	158,449,328	73,311,000
Total assets	175,493,943	89,549,589
Total current liabilities	4,531,561	7,417,868
Total liabilities	5,485,522	8,494,819
Equity		
Issued capital	369,589,374	230,575,898
Share-based payment reserve	4,966,076	3,992,083
Accumulated loses	(204,547,029)	(153,513,211)
	170,008,421	81,054,770

Note 25. Financial risk management (cont'd)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group, except for the following:

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described below:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2025 %	2024 %
PYC Therapeutics LLC	USA	100%	100%

Accounting policy on consolidation of subsidiaries:

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 26. Interests in subsidiaries (cont'd)

Accounting policy on consolidation of subsidiaries (cont'd)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy.

Name	Country of corporation	Principal activities	Parent ownership interest 2025	Non-controlling interest Ownership interest 2025	Parent ownership interest 2024	Non-controlling interest Ownership interest 2024
Vision Pharma Pty Ltd	Australia	Drug development	97.1%	2.9%	96.2%	3.8%

On 10 June 2025, a $20 million recapitalisation of Vision Pharma Pty Ltd (Vision Pharma) was made for the VP-001 program to continue progression through the current clinical trial. PYC subscribed for the full $20.0 million raised by Vision Pharma consisting of PYC's $19.2m pro rata entitlement and $0.8m shortfall created by the Lions Eye Institute declining to participate in the fundraising round. Consequently, PYC's shareholding in Vision Pharma has increased to 97.1% with the Lions Eye Institute remaining a 2.9% shareholder in the entity.

Accounting policy on interests in non-controlling interests:

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Summarised financial information for Vision Pharma Pty Ltd, before intragroup eliminations is set out below:

Summarised statement of financial position

	2025 $	2024 $
Current assets	17,128,814	12,163,749
Non-current assets	3,850,000	4,050,000
Total assets	20,978,814	16,213,749
Current liabilities	5,904,341	1,499,627
Total liabilities	5,904,341	1,499,627
Net assets	15,074,473	14,714,122

Note 26. Interests in subsidiaries (cont'd)

Summarised statement of profit or loss and other comprehensive income

	2025 $	2024 $
Revenue	-	122,957
Expenses	(19,639,848)	(9,846,127)
Loss before income tax	(19,639,848)	(9,723,170)
Other comprehensive income	-	-
Total comprehensive income	(19,639,848)	(9,723,170)

The Group has the following subsidiary with material non-controlling interests:

	2025 $	2024 $
Proportion of ownership interest and voting rights held by non-controlling interests (2.9%) (2024: 3.8%)		
Carrying amount of non-controlling interests acquired	559,118	692,966
Loss allocated to non-controlling interests	(708,495)	(385,048)
Transaction with non-controlling interest	584,175	251,200
Accumulated non-controlling interest	434,798	559,118

Note 27. Interests in joint operations

The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2025 %	2024 %
PYC Therapeutics/Murdoch University collaboration	Academic-industry collaboration/Australia	-	50%
Vision Pharma Pty Ltd/ Murdoch University	Academic-industry collaboration/Australia	-	50%

The Group has entered into academic-industry collaborations with Murdoch University to support drug discovery and development efforts in the field of neurodegenerative disorders.

The above collaborations ceased during the period ending 30 June 2025.

Note 28. Events after the reporting period

No matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 29. Reconciliation of loss after income tax to net cash used in operating activities

	2025 $	2024 $
Loss after income tax expense for the year	(51,013,174)	(38,110,459)
Adjustments for:		
Depreciation and amortisation	1,115,166	1,067,763
Share-based payments	973,993	247,409
Foreign exchange differences	(75,793)	(18,387)
Change in operating assets and liabilities:		
Increase in trade and other assets	(5,736,059)	(2,438,313)
Increase in trade and other payables	3,087,362	385,085
Increase in other provisions	88,425	278,401
Net cash used in operating activities	(51,560,080)	(38,588,501)

Note 30. Non-cash investing and financing activities

	2025 $	2024 $
Lease liabilities at 1 July	1,112,792	315,487
Non-cash Addition	245,515	271,380
Remeasurement	79,761	869,783
Payments of lease liabilities	(414,326)	(343,858)
Lease liabilities at 30 June	1,023,742	1,112,792

Note 31. Earnings per share

	2025 $	2024 $
Earnings per share for loss		
Loss after income tax attributable to the owners of PYC Therapeutics Limited	(50,304,679)	(37,725,411)
Non-controlling interest	(708,495)	(385,048)
	(51,013,174)	(38,110,459)
Loss after income tax attributable to the owners of PYC Therapeutics Limited and its controlled entities used in calculating basic and diluted earnings per share	(50,304,679)	(37,725,411)

	Cents	Cents
Basic loss per share	(10.05)	(9.60)
Diluted loss per share	(10.05)	(9.60)

	2025 Number	2024 Number
Weighted average number of ordinary shares	500,502,972	393,591,062

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of PYC Therapeutics Limited and its controlled entities, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

As the Group incurred a loss for the year ended 30 June 2025, the options on issue have an antidilutive effect, therefore the diluted earnings per share is equal to the basic earnings per share.

Note 32. Share-based payments

(a) ESOP

At the Annual General Meeting held in November 2024, the Company renewed an employee share option programme (ESOP) that entitles key management personnel and senior employees to purchase shares in the Company.

(b) Options issued during the year

1,400,000 options were issued to senior management during the year ended 30 June 2025 (30 June 2024: 2,450,000).

Note 32. Share-based payments (cont'd)

(c) Fair value and assumptions

All options refer to options over ordinary share of PYC Therapeutics Ltd which are exercisable on a one for one basis.

The fair value of the options is calculated at grant date using a Black–Scholes pricing model and allocated to each reporting period in accordance with the vesting profile of the options.

The options have no performance conditions and the only condition is a service period.

The value recognised is the portion of the fair value of the options allocated to the reporting period.

The factors and assumptions used in determining the fair value on grant date of options issued during the financial year as follows:

Set out below are summaries of options granted under the plan:

	Number of options 2025	Weighted average exercise price 2025	Number of options 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	5,060,000	$1.64	4,130,000	$1.65
Granted	1,400,000	$2.81	2,450,000	$1.59
Forfeited	(606,666)	$1.61	(220,000)	$1.70
Expired/lapsed	(50,000)	$1.70	(1,300,000)	$1.55
Exercised	-	-	-	-
Outstanding at the end of the financial year	5,803,334	$1.93	5,060,000	$1.64
Exercisable at the end of the financial year	2,496,661	$1.61	1,060,000	$1.70

2025							
Grant date	Expire date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/03/2021	28/02/2031	$1.70	200,000	-	-	-	200,000
23/03/2021	23/03/2031	$1.70	250,000	-	-	-	250,000
23/03/2021	29/03/2031	$1.70	250,000	-	-	-	250,000
23/11/2021	23/11/2024	$1.70	50,000	-	-	(50,000)	-
20/04/2022	20/04/2026	$1.70	240,000	-	-	-	240,000
30/09/2022	30/09/2026	$1.70	1,470,000	-	-	(40,000)	1,430,000
10/02/2023	10/02/2027	$1.70	150,000	-	-	(100,000)	50,000
28/09/2023	28/09/2027	$0.90	100,000	-	-	(66,666)	33,334
01/10/2023	01/10/2027	$0.90	250,000	-	-	-	250,000
22/05/2024	22/05/2028	$1.70	2,100,000	-	-	(400,000)	1,700,000
01/07/2024	01/07/2028	$1.70	-	200,000	-		200,000
12/11/2024	12/11/2028	$3.00	-	1,200,000	-		1,200,000
			5,060,000	1,400,000	-	(656,666)	5,803,334

Note 32. Share-based payments (cont'd)

2024							
Grant date	Expire date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/12/2020	30/11/2023	$1.50	1,200,000	-	-	(1,200,000)	-
23/03/2021	23/03/2024	$2.10	100,000	-	-	(100,000)	-
23/03/2021	28/02/2031	$1.70	200,000	-	-	-	200,000
23/03/2021	23/03/2031	$1.70	250,000	-	-	-	250,000
23/03/2021	29/03/2031	$1.70	250,000	-	-	-	250,000
23/11/2021	23/11/2024	$1.70	50,000	-	-	-	50,000
20/04/2022	20/04/2026	$1.70	240,000	-	-	-	240,000
30/09/2022	30/09/2026	$1.70	500,000	-	-	-	500,000
30/09/2022	30/09/2026	$1.70	100,000	-	-	-	100,000
30/09/2022	30/09/2026	$1.70	130,000	-	-	-	130,000
30/09/2022	30/09/2026	$1.70	110,000	-	-	-	110,000
30/09/2022	30/09/2026	$1.70	130,000	-	-	-	130,000
30/09/2022	30/09/2026	$1.70	120,000	-	-	(120,000)	-
30/09/2022	30/09/2026	$1.70	120,000	-	-	-	120,000
30/09/2022	30/09/2026	$1.70	100,000	-	-	-	100,000
30/09/2022	30/09/2026	$1.70	100,000	-	-	-	100,000
30/09/2022	30/09/2026	$1.70	180,000	-	-	-	180,000
30/09/2022	30/09/2026	$1.70	100,000	-	-	(100,000)	-
10/02/2023	10/02/2027	$1.70	150,000	-	-	-	150,000
28/09/2023	28/09/2027	$0.90	-	100,000	-	-	100,000
01/10/2023	01/10/2027	$0.90	-	250,000	-	-	250,000
22/05/2024	22/05/2028	$1.70	-	2,100,000	-	-	2,100,000
			4,130,000	2,450,000	-	(1,520,000)	5,060,000

The above table has been restated to account for the effect of the 10:1 share consolidation completed in November 2024 for comparative purposes.

Note 32. Share-based payments (cont'd)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2025 Number	2024 Number
23/03/2021	28/02/2031	200,000	200,000
23/03/2021	23/03/2031	250,000	250,000
23/03/2021	29/03/2031	250,000	250,000
23/11/2021	23/11/2024	-	50,000
20/04/2022	20/04/2026	240,000	60,000
30/09/2022	30/09/2026	589,998	199,999
14/02/2023	14/02/2027	50,000	50,000
01/10/2023	01/10/2027	250,000	-
22/05/2024	22/05/2028	633,329	-
28/09/2023	28/09/2027	33,334	-
		2,496,661	1,059,999

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.81 years (30 June 2024: 3.59 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2024	01/07/2028	$1.20	$1.70	60%	-	3.90%	$0.43
12/11/2024	12/11/2028	$1.95	$3.00	60%	-	3.90%	$0.80

Expenses arising from share-based payment transactions

	2025 $	2024 $
Equity – settled share-based payments issued:		
In FY 2021	-	36,058
In FY 2022	24,142	30,055
In FY 2023	42,498	72,932
In FY 2024	486,063	108,364
In FY 2025	421,290	-
	973,993	247,409

Note 32. Share-based payments (cont'd)

Accounting policy for share-based payments

Equity-settled compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying a Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Consolidated Entity Disclosure Statement

Consolidated entity disclosure statement

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the Group as at the end of the financial year. Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

Name of entity	Type of entity	Trustee, partner of participant in JV	% of share capital	Place of incorporation	Australian resident	Foreign jurisdiction(s)
PYC Therapeutics Ltd	Body Corporate	-	100	Australia	Yes	n/a
Vision Pharma Pty Ltd	Body Corporate	-	97.1	Australia	Yes	n/a
PYC Therapeutics LLC	Body Corporate	-	100	USA	No	USA

Directors' Declaration

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 45 to 83 are in accordance with the Corporations Act 2001, including:

   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c) the consolidated entity disclosure statement on page 84 is true and correct; and

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and the chief financial officer required by Section 295A of the Corporations Act 2001.

The declaration is made in accordance with a resolution of the directors:

Dr Rohan Hockings
Executive Director & Chief Executive Officer

28 August 2025
Perth

Independent Auditor's Report

Independent auditor's report

To the members of PYC Therapeutics Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of PYC Therapeutics Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which describes the directors assessment of the ability of the group to continue as a going concern. The events or conditions as stated in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if

individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board of Directors.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	*How our audit addressed the key audit matter*
Research and development tax incentive receivable As per note 10 to the consolidated financial statements, the Group's research and development ("R&D") tax incentive receivable was $23,494,347 as of 30 June 2025. These R&D incentives were recognised as other income for the year then ended. The Group assessed the R&D activities to determine which of those activities were eligible under the R&D tax incentive program and when there is reasonable	Our audit procedures, amongst others included: • with the assistance of PwC R&D incentive experts, evaluating the appropriateness of the methodology used to estimate the amount of the R&D tax incentive receivable; • comparing the estimate recorded in the financial statements as at 30 June 2024 to the amount of cash received after lodgement of the R&D Tax Incentive claim to assess historical accuracy of the estimate.

Key audit matter	*How our audit addressed the key audit matter*
assurance that the entity will comply with the program conditions. This was a key audit matter due to the significant judgement applied in determining whether the R&D activities and related expenditures were eligible under the R&D tax incentive program and the quantum of the income and receivable.	• agreeing a sample of eligible expenditure in the estimate to the general ledger or other underlying accounting records. • agreeing the mathematical accuracy, on a sample basis, of the Group's R&D incentive calculation; and • evaluating, for a selection of eligible expenditures, the appropriateness of the Group's assessment of eligibility by comparing the nature of the expenditure against the eligibility criteria of the R&D Tax Incentive program.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair

view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of PYC Therapeutics Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Adam Thompson
Partner

Perth
28 August 2025

ASX Additional Information

The shareholder information set out below was applicable as at 14 August 2025.

Distribution of equitable securities

Analysis of number of equitable security holdings by size of holding:

	Number of holders	Number of shares
1 to 1,000	912	574,223
1,001 to 5,000	1,277	3,399,420
5,001 to 10,000	550	4,342,104
10,001 to 100,000	1,077	34,609,297
100,001 and over	356	540,355,403
	4,172	583,260,447

Based on the closing price on 14 August 2025 of $1.265 per security, number of holders with an unmarketable holding: 161, with a total shareholding of 32,888, amounting to 0.0% of Issued Capital

Twenty largest security holders

The names of the twenty largest holders of ordinary shares are listed below:

Name	Number of ordinary shares	% of Issued capital
AUSTRALIAN LAND PTY LTD <THE SOUTHDOWN A/C>	76,568,655	13.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	48,518,521	8.32
CITICORP NOMINESS PTY LIMITED	34,134,159	5.85
MCCUSKER HOLDINGS PTY LTD	23,258,000	3.99
RUNCTON PTY LTD <THE GOODWOOD A/C>	22,574,796	3.87
PAGHAM PTY LTD <THE AINTREE A/C>	22,574,796	3.87
TREXON PTY LTD <BLACKPOOL TRUST A/C>	22,574,796	3.87
STOCKBRIDGE CORPORATION PTY LTD <THE ASCOT A/C>	22,574,796	3.87
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	19,179,605	3.29
SIETSMA HOLDINGS PTY LTD <THE SIETSMA SUPER FUND A/C>	16,875,000	2.89
NATIONAL NOMINEES LIMITED	15,025,437	2.58
AUSTRALIAN LAND PTY LTD <THE TRIBE SUPER FUND A/C>	11,313,636	1.94
DATAMATCH PTY LTD <PARAGON FAMILY A/C>	9,000,000	1.54
MR ADRIAN BONADDIO	8,249,561	1.41
MR JOHN BAIRD	6,400,266	1.10
MASALI PTY LTD	5,334,329	0.91
LOCCA PTY LTD	5,209,172	0.89
MR ADAM BONADDIO	5,002,069	0.86
SELWOOD BARTON PTY LTD <SELWOOD BARTON A/C>	4,820,000	0.83
MCCUSKER FOUNDATION LTD <THE MCCUSKER CHARITABLE A/C>	4,200,000	0.72
	383,387,594	65.73

Substantial holders

Substantial holders in the Company are set out below:

	Number held	% of total shared issued
Australian Land Pty Ltd & other entities associated with Mr Alan Tribe	186,726,741	32.01

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unquoted options

Unquoted options do not entitle the holder to any voting rights

On Market Buy Back

There is no on-market buy-back scheme in operation for the company's quoted shares or quoted options

Unquoted Option Holder Information

The information on unquoted securities set out below was applicable as at 14 August 2025

Distribution of unquoted option holder numbers

Category (size of holding)	No. of Option Holders	No. of Options
100,001 and over	23	5,803,334

Holders of more than 20% of unquoted options

The name of holders, holding more than 20% of the unquoted options on issue in the Company's share register as at 14 August 2025 were: nil

PYC Therapeutics

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