QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Melbourne, Australia – 30 April 2025: Percheron Therapeutics Limited (ASX:PER, "Percheron" or "the Company"), an international biotechnology company focused on the development of novel therapies for rare diseases, is pleased to provide an update on the Company's continuing progress during the quarter ended 31 March 2025.

Key Points

- **Strategic review of R&D pipeline resolves to discontinue ATL1103 program and to make no material further investment in ATL1102.** The ATL1102 program in Duchenne muscular dystrophy (DMD) and autoimmune epilepsy will be retained for a period to allow opportunistic exploration of partner or investigator interest, but no significant further resources will be invested by the Company.

- **In-licensing discussions progress rapidly, with one non-binding term sheet submitted in February 2025 and further opportunities under confidential discussion.** The Company is seeking one or more new assets around which to rebuild its pipeline, with several opportunities now at an advanced stage of negotiation.

- **Significant cost containment efforts ongoing to reduce operating expenses and extend runway.** The Company has reduced headcount substantially, the CEO has deferred 50% of his salary until the Company's position is improved, certain Board fees have been deferred on a similar basis, and many vendor agreements have been terminated, renegotiated, or temporarily suspended.

"Our primary focus over the past three months or so has been to secure one or more new pipeline assets that we can bring into the company," commented Percheron CEO, Dr James Garner. "We have a number of promising leads under discussion, and we are highly optimistic that we will be in a position to re-launch the company mid-year with a new story and as a compelling new opportunity for investors. In the meantime, our discussions and negotiations continue, and we will endeavour to provide as much information as we can to investors as matters progress."

He added, "in February, we presented a more complete picture of the results from the ATL1102 phase IIb study in DMD via an investor webinar. Sadly, the detailed analysis confirmed what we had surmised from the topline data in December: ATL1102 is pharmacologically active, but its effects are insufficient to meaningfully alter the course of a disease as aggressive and as complex as Duchenne."

Comprehensive analysis of data from ATL1102 P2B DMD study

On 6 February 2025, the Company held an open-access investor webinar to discuss the results of the phase IIb study of ATL1102 in Duchenne muscular dystrophy (DMD).[1] The Company had previously reported negative topline data from the study on 18 December 2024,[2] and had undertaken at that time to provide a more detailed analysis once full results were available.

The presentation by Percheron's former Chief Medical Officer, Dr Cathryn Clary, showed that the three study groups were generally well balanced. There was no significant difference between them in any clinical efficacy endpoint. There was a modest and non-significant trend towards activity at the 50mg dose (the higher of the two doses tested), which was only detectable in measures of distal (hand) function.

Pharmacologically, the drug behaved as expected, with reductions in CD49d+ T-cells and creatine kinase, a biomarker of muscle inflammation, consistent with prior data. Although the study was terminated after the six-month read-out, a post hoc analysis of patients who had completed 37 weeks in the study showed no meaningful change in trajectory for any group. The drug continued to show a favourable safety profile, with injection site reactions as the most common adverse event.

Wind-down of phase IIb clinical trial of ATL1102 in DMD

Since the decision to terminate the study on 18 December 2024, the Company has been focused on winding down all activity associated with the study as rapidly and cost-effectively as possible, while ensuring that all regulatory and ethical requirements are met.

To date, all operational activities at sites have been concluded. Study-related equipment, such as the MyoGrip and MyoPinch devices, has been returned to the vendors. Surplus study drug, and study materials such as patient diaries, have for the most part been destroyed at site, unless there is a strong rationale to recover them for future use.

A significant proportion of the Company's contractual agreements with vendors have been terminated and associated financial commitments have been paid. The agreement with Parexel, the contract research organisation with primary responsibility for conduct of the study, will remain ongoing for several more months in order to provide for regulatory and administrative tasks such as generation of a clinical study report and necessary regulatory submissions.

The Company had previously estimated that the outstanding costs associated with orderly completion of the study would be in the range of $6.0 - $7.0 million.[3] After careful

[1] Webinar-Presentation-Phase-IIb-study-of-avicursen.pdf
[2] Topline-SixMonth-Results-From-Phase-IIb-Study-of-Avicursen.pdf
[3] Quarterly-Activities-Report-and-Appendix-4C.pdf

negotiation with vendors, supported by detailed analysis of completed and outstanding work, the Company now estimates that total shut costs for the study will be approximately $5.7 million, of which $3.1 million is fully reflected in the Appendix 4C filing for the March quarter.

Strategic review of R&D pipeline

On 6 January 2025, the Company announced that it would undertake a strategic review of its R&D pipeline to identify and preserve any residual value in the ATL1102 or ATL1103 assets.[4]

Post-period, on 2 April 2025, the Company shared the outcome of this review. In summary, the Board resolved to terminate the development of atesidorsen (ATL1103) with immediate effect. A careful assessment of the commercial landscape in acromegaly, considering the likely path to approval and the intellectual property position, did not suggest the potential for an economic return on this asset.

The Board determined that the Company would not make any material further investment in the development of avicursen (ATL1102). However, the program will be kept alive but dormant for at least the remainder of CY2025 to permit opportunistic exploration of potential interest from investigators or partners.

In the meantime, the Board remains focused on securing one or more new pipeline assets for the Company, as indicated in its Letter to Shareholders of 6 January 2025.

Rapid progress in partnering discussions

On 12 February 2025, the Company announced that it was in confidential discussions with a potential partner regarding an in-licensing opportunity.,[5] and that it expected to submit an initial non-binding indicative offer by the end of February. On 24 February 2025, the Company announced that a non-binding offer had been submitted.[6] The asset in question is a 'clinic-ready' program in a neurological rare disease, currently under development by a large international pharmaceutical company.

Post-period, on 2 April 2025, the Company disclosed that it continued to pursue additional confidential in-licensing discussions with other companies and was considering the submission of further non-binding proposals.[7]

Percheron continues to move forward actively with these negotiations and will endeavour to provide additional clarity to investors as discussions progress, and as circumstances allow.

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[4] Letter-to-Percheron-Therapeutics-Limited-Shareholders.pdf
[5] Percheron-Makes-Rapid-Progress-in-Partnering-Discussions.pdf
[6] Update-on-Partnering-Progress.pdf
[7] Letter-to-Shareholders-from-the-Board-of-Directors.pdf

General meeting requisitions under S203D(2) and S249D

On 7 January 2025 the Company announced that it had received notices under S203D and S249D of the Corporations Act (2001) (Cth) on behalf of five shareholders and their related parties, proposing the removal of two of the Company's directors and installation of two new directors from among the requisitioning shareholders.[8] These proposals were put to a General Meeting of members of the Company on 4 March 2025, and a majority of shares were voted against each resolution.[9]

On 25 February 2025, the Company announced that it had received additional notices under S203D and S249D of the Corporations Act (2001) (Cth) on behalf of a single shareholder, Powerhouse Ventures Limited (ASX: PVL), proposing the removal of all three of the Company's directors and installation of three Powerhouse appointees as replacements.[10] These proposals were, as before, put to a General Meeting of members of the Company on 24 April 2025, and shareholders voted emphatically against the proposed resolutions. In total, approximately 72% of all shares voted were cast in favour of retaining the current Board and against the Powerhouse proposals, and more than 90% of individual holders voted against the Powerhouse proposals.

Reorganisation of US-quoted securities

In December 2024, the Company announced that it had discontinued its existing American Depository Receipt (ADR) facility with BNY Mellon and had uplisted its foreign shares (F shares), trading with the ticker ATHJF, to the OTCQB tier of the over-the counter markets. On 30 April 2025 the Company received notice that its foreign shares will be moved back to the OTC Pink Current Information as it had not met the bid price requirements of at or above USD $0.01 for 30 days. If the bid price closes at or above USD $0.01 for 30 days and the Company meets all eligibility requirements the Company's F shares can be moved back to the OTCQB upon request.

Financial position

As noted in the accompanying unaudited quarterly cashflow report (Appendix 4C), the Company closed the quarter ending 31 March 2025 with a cash balance of $12.92 million, compared to $17.39 million at the end of the previous quarter.

Net cash outflows from operating activities for the quarter were $4.47 million, including research and development expenditure of $3.59 million, which primarily included payments for the Company's phase IIb clinical trial of ATL1102 in non-ambulant boys.

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[8] Notices-received-under-s203D-and-s249D-of-Corporations-Act.pdf
[9] Results-of-General-Meeting.pdf
[10] Notices-received-under-S203D-and-S249D-of-Corporations-Act.pdf

The Company's staff costs were modestly elevated in the March quarter by payments resulting from termination or redundancy of certain employees. It is expected that staff costs will be significantly lower in the June quarter, partly on account of a reduced headcount, and partly due to the deferral of 50% of the salary of the Chief Executive Officer.

Administration costs were also increased in the March quarter as a result of the two general meetings being requisitioned by shareholders.

The accompanying unaudited quarterly cashflow report suggests a figure of 2.9 quarters for the Company's cash runway. This is calculated using cash at hand as at 31 March 2025, divided by cash outflows in the March quarter, as the Company is obliged to report. However, the Company expects that cash outflows in subsequent quarters will be significantly lower than the March quarter, particularly as the final wind-up of the phase IIb study in DMD is largely completed and given the cost reductions implemented during this period. The Company also anticipates receiving an R&D tax incentive payment in 2H CY2025. On the basis of the Company's own forward-looking cashflow forecasts, prior to any payments associated with in-licensing or developing a new asset, the Company expects runway comfortably into FY2027.

The Company made payments to related parties of the entity as disclosed in Item 6 of the Appendix 4C amounting to approximately $0.22 million. These payments represent salaries, directors' fees, and consulting fees on normal commercial terms.

~ ENDS ~

About Percheron Therapeutics Limited

Percheron Therapeutics Limited [ASX: PER | US OTCQB: PERCF] is a publicly listed biotechnology company focused on the development and commercialisation of novel therapies for rare diseases. The company's lead program is avicursen (ATL1102), an antisense oligonucleotide targeting the CD49d receptor, which has been investigated in a range of inflammatory conditions, including multiple sclerosis and Duchenne muscular dystrophy.
For more information, please contact info@PercheronTx.com.

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

Appendix 4C

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

Name of entity	
Percheron Therapeutics Limited	
ABN	**Quarter ended ("current quarter")**
41 095 060 745	31 March 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(3,590)	(11,480)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(39)	(53)
	(d) leased assets	(17)	(58)
	(e) staff costs	(454)	(1,983)
	(f) administration and corporate costs	(548)	(2,001)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	176	307
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	2,354
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,472)**	**(12,914)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(4)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**(4)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	14,871
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(891)
3.5	Proceeds from borrowings	-	1,687
3.6	Repayment of borrowings	-	(1,700)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**13,967**

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	17,388	11,867
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,472)	(12,914)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	13,967
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**12,916**	**12,916**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	716	588
5.2	Call deposits	12,200	16,800
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**12,916**	**17,388**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 [1]	223
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

1. Director fees and salary payments made to Directors of the Company during 1 January 2025 and 31 March 2025.

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Corporate Credit Cards)	40	-
7.4	**Total financing facilities**	40	-

7.5	**Unused financing facilities available at quarter end**	40

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Credit card facility – American Express

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,472)
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,916
8.3	Unused finance facilities available at quarter end (item 7.5)	40
8.4	Total available funding (item 8.2 + item 8.3)	**12,956**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.9

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

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

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: By the Board of Directors of Percheron Therapeutics Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.