PERCHERON MAKES RAPID PROGRESS IN PARTNERING DISCUSSIONS; INITIAL PROPOSALS EXPECTED TO BE SUBMITTED IN FEBRUARY 2025

Melbourne, Australia – 12 February 2025: Percheron Therapeutics Limited (ASX: PER) (the 'Company'), an international biotechnology company focused on the development of novel therapies for rare diseases, is pleased to provide an update on partnering activity following the negative outcome of its phase IIb clinical trial of ATL1102 in Duchenne muscular dystrophy in December 2024.

Key Points

- **Company attendance at JP Morgan Healthcare Conference generated more than fifty leads**. The Company has been triaging these opportunities to select the most promising programs for detailed technical evaluation, with a number of opportunities already the subject of confidential discussions.

- **Percheron hopes to submit initial non-binding proposals to one or more potential partners under confidentiality by the end of February**. Once commercial terms are agreed, the Company expects to move onto detailed technical due diligence with the chosen party or parties, and from there will proceed to contractual negotiations. The company's highest priority opportunities are programs which leverage the company's existing strengths in rare diseases and include both early clinical and near-to-market late-stage opportunities.

- **In addition to reviewing development opportunities, the Company is also discussing several broader strategic partnering opportunities**. These may include more substantial changes to the Company's business model and will be evaluated for their potential value to shareholders alongside more conventional programs.

- **The Board's overall priority is to identify paths forward which have the potential to restore the Company's value as rapidly and as cost-effectively as possible.** Accordingly, the Company has generally focused on clinical or late-preclinical programs which can generate near-term value catalysts, rather than early discovery-stage programs.

- **Company continues to evaluate residual value in ATL1102 and ATL1103 assets**. A decision on the path forward for these programs is expected by the end of March, as previously indicated.

"After the disappointing outcome of the ATL1102 DMD study, it was clear to us that the Company would need to accelerate its efforts to acquire a new program," commented Percheron CEO, Dr James Garner. "We stepped up our outreach efforts immediately

after the trial result and have been working vigorously since then. In particular, the JP Morgan Healthcare Conference, which we had originally arranged to attend in order to out-license ATL1102, provided an excellent forum to identify new leads. We spoke to more than fifty companies about programs that we could bring into Percheron, which identified some extremely promising opportunities. We are moving forward as fast as possible on the more exciting candidates and are aiming to submit initial proposals by the end of February. Whether a new asset sits alongside ATL1102 in our portfolio or replaces it remains to be determined; however, we are certain that a new narrative is needed to attract investors back to the Company. In addition, we are discussing several more substantial strategic partnering models with a variety of investors and other companies. We are confident that the lead opportunities we are looking at have the potential to present a very attractive story for investors."

Background

Partnering transactions are common in the pharmaceutical industry, with many drug candidates passing through several owners before they reach market.

To in-license a new drug, a company will usually undertake an initial review on the basis of publicly available information. If a program appears initially promising, the two parties will typically enter into a confidentiality agreement ahead of detailed technical due diligence. To do so requires a strong grasp not only of the underlying science and medical practice, but also a deep familiarity with drug development. The acquiring company must consider not just whether a drug candidate is scientifically plausible, but also whether it is likely to be commercially attractive.

Once a technical evaluation is complete, the acquiring company will submit indicative financial terms, which will then be discussed and negotiated. The parties then enter into contractual discussions, which require highly specialised negotiation.

The transaction can take a number of forms, depending on whether structured as a company acquisition or an asset acquisition.

As a listed company with funds at its disposal, Percheron considers itself to be in a strong position to make an acquisition on attractive terms.

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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.