

Q4 2023 SHAREHOLDER UPDATE

Key Highlights:

- PYC is a precision medicine company progressing a pipeline of best-in-class drug candidates towards multibillion-dollar markets in areas of major unmet patient need
- In 2024, PYC will begin to generate the human safety and efficacy data critical to defining both the patient-impact and commercial success of this pipeline
- The Company made significant progress towards its objective in Q4 2023 by:
 - **Pushing its lead asset deeper into the clinic** - Successfully progressing through the dose escalation protocol in the first human trial of a drug candidate directed towards a blinding disease of childhood known as Retinitis Pigmentosa type 11
 - **Expanding the pipeline** - Adding a drug candidate targeting a major cause of chronic kidney disease, and a \$10 billion p.a.¹ market opportunity, to the pipeline following positive outcomes in models derived from patients with end-stage kidney disease
 - **Advancing 'fast follower' assets towards human studies** - Collating the data needed to file an Investigational New Drug (IND) application in the Company's second drug program for another blinding eye disease with progression to human studies anticipated for this drug candidate in Q2 2024

PERTH, Australia and SAN FRANCISCO, California – 25 January 2024

PYC Therapeutics Limited (ASX:PYC) is a precision medicine company progressing a pipeline of best-in-class drug candidates towards multibillion-dollar markets in areas of major unmet patient need. The Company today updates shareholders in relation to progress made towards its objective of commercialising precision therapies with disease-modifying potential through the fourth quarter of 2023.

Three out of PYC's four first-in-class drug programs made material progress during the quarter:

- 1) Retinitis Pigmentosa type 11 – PYC's lead asset for a blinding eye disease of childhood progressed through multiple patient cohorts in the ongoing single

¹ 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.

ascending dose clinical trial (See ASX announcements of 3 November 2023 and 18 December 2023).

- 2) Polycystic Kidney Disease – PYC added a new drug program to its pipeline that addresses the underlying cause of a major driver of Chronic Kidney Disease. The program addition followed successful demonstration of efficacy in models derived from human kidneys donated by patients undergoing renal transplantation as a consequence of the disease (See ASX announcement of 13 November 2023). Polycystic Kidney Disease represents a >\$10 billion per annum market opportunity with no drugs currently available that address the underlying cause of the disease.
- 3) Autosomal Dominant Optic Atrophy (ADOA) – The Company successfully demonstrated efficacy of its investigational drug candidate for a blinding eye disease called ADOA in both Non-Human Primates and patient derived models (See ASX announcement of 4 October 2023). This data has supported progression of this drug program into human studies with these clinical trials set to begin in Q2 2024².

Realisation of these milestones through Q4 2023 saw PYC make material progress towards its overarching objective of creating life-changing new therapies for patients with major unmet needs. The Company now has a strong platform from which to generate critical human data read-outs throughout 2024. These near-term milestones will define both the patient impact and commercial success of PYC's pipeline of precision therapies.

Financial Update

As of 31 December 2023, the Company had \$25.4 million of cash on hand. The Company received a cash R&D Tax Incentive of \$16.5 million during the quarter which had been recognised as a receivable in the 30 June 2023 Financial Statements.

Related Party Payments

Section 6 of the Appendix 4C released today discloses payments to related parties of \$150k, reflecting fees paid to executive and non-executive directors during the quarter.

About PYC Therapeutics

PYC Therapeutics (ASX: PYC) is a clinical-stage biotechnology company creating a new generation of RNA therapies to change the lives of patients with genetic diseases. The Company utilises its proprietary drug delivery platform to enhance the potency of precision medicines within the rapidly growing and commercially proven RNA therapeutic class. PYC's drug development programs target monogenic diseases – **the indications with the highest likelihood of success in clinical development.**³

The Company was the first to progress a drug candidate for RP11, a blinding eye disease of childhood into human trials and is now progressing 'fast-follower' programs into the clinic. For more information, visit pyctx.com, or follow us on LinkedIn and Twitter.

² Subject to regulatory approval

³ Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank
<https://doi.org/10.1101/2020.11.02.2022232>

Forward looking statements

Any forward-looking statements in this ASX announcement have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations, and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside the Company's control. Important factors that could cause actual results to differ materially from assumptions or expectations expressed or implied in this ASX announcement include known and unknown risks. Because actual results could differ materially to assumptions made and the Company's current intentions, plans, expectations, and beliefs about the future, you are urged to view all forward-looking statements contained in this ASX announcement with caution. The Company undertakes no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.

This ASX announcement should not be relied on as a recommendation or forecast by the Company. Nothing in this ASX announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

This ASX announcement was approved and authorised for release by the Board of PYC Therapeutics Limited

CONTACTS:

INVESTORS and MEDIA

info@pyctx.com

Appendix 4C

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

Name of entity

PYC THERAPEUTICS LIMITED

ABN

48 098 391 961

Quarter ended ("current quarter")

31 Dec 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(11,052)	(21,796)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(10)	(37)
(e) staff costs	(309)	(814)
(f) administration and corporate costs	(356)	(899)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	96	215
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	16,492	16,492
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	4,861	(6,839)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(217)	(279)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(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	(217)	(279)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	17,400
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (leases)	(78)	(135)
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	(78)	17,265

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,976	15,572
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,861	(6,839)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(217)	(279)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(78)	17,265
4.5	Effect of movement in exchange rates on cash held	(128)	(305)
4.6	Cash and cash equivalents at end of period	25,414	25,414

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	25,414	20,976
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,414	20,976

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

(150)

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

During the quarter \$150k directors remuneration was paid, which was included in item 1.2.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 Unused financing facilities available at quarter end

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

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	4,861
8.2 Cash and cash equivalents at quarter end (Item 4.6)	25,414
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	25,414
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

25 January 2024

Date:

The Board of PYC Therapeutics Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.