

## **PYC Therapeutics Highlights Advancement of Ocular and CNS Development Programs And Continued U.S. Expansion in Second Quarter 2021 Update**

*Successfully Commenced Larger Animal Studies for Lead Program VP-001 for Treatment of Retinitis Pigmentosa Type 11 with Key Data Readouts in Two Species Expected in 2H 2021; On-track For Investigational New Drug Application in Mid-2022*

*Second Lead Program VP-002 for Treatment of Autosomal Dominant Optic Atrophy Achieved Effective Delivery to Target Cells in the Retina In Vivo, Upregulation of Target OPA1 Protein and Correction of Major Functional Deficits in Patient-Derived Cells*

*PPMO Technology Successfully Delivered High Levels of RNA Therapeutic Throughout Mouse Brain in First Preclinical Results for Central Nervous System Program; Company to Nominate First CNS Development Candidate in 2H 2021*

**PERTH, Australia and SAN DIEGO, Calif. – July 28, 2021** – PYC Therapeutics (ASX: PYC), a biotechnology company combining two complementary platform technologies (selective drug delivery and precision drug design) to develop a new generation of RNA therapeutics to change the lives of patients with inherited diseases, today announced a second quarter update highlighting the progress of its development pipeline, growth of its U.S. operations and upcoming milestones.

The Company made significant progress during the second quarter across lead eye programs but also for the first time expanding application of the Company's RNA therapeutic technology beyond the eye. For VP-001 for the treatment of retinitis pigmentosa type 11, the commencement of larger animal studies was a critical step towards Investigational New Drug (IND) filing which is on-track for mid-2022. For VP-002, comprehensive preclinical data released during the quarter demonstrated this program's potential to generate the first disease-modifying treatment for autosomal dominant optic atrophy, addressing a significant unmet patient need and a multi-billion dollar market opportunity. Beyond the eye, PYC reported preclinical results early in the quarter showing the promising potential of the Company's PPMO technology platform to address diseases of the central nervous system, opening up a very large and underserved market opportunity.

During the quarter, PYC also continued to expand its presence in the United States naming a new U.S. headquarters in the thriving biotech hub of San Diego, recruiting top-tier drug development talent and deepening engagement with potential investors and business development partners. Presence in the U.S. is critical for the Company to accelerate program development and maximize the impact of upcoming value catalysts.

## **Recent Achievements**

### ***Inherited Ocular Diseases:***

- **Commenced key rabbit studies for lead candidate VP-001 for the treatment of retinitis pigmentosa 11.** Data from larger animal studies are expected in the second half of 2021, and will enable PYC to move toward regulatory engagement for the VP-001 program and initiate the final step of preclinical development with formal Good Laboratory Practice (GLP) toxicity studies. The Company remains on track to file an Investigational New Drug (IND) application with the U.S. Food and Drug Administration (FDA) in mid-2022 before entering clinical trials.
- **Announced comprehensive preclinical results demonstrating potential for VP-002 to become the first disease-modifying therapy for the treatment of autosomal dominant optic atrophy (ADOA).** The majority of ADOA cases are caused by loss of function mutations in the *OPA1* gene. PYC's preclinical studies have found that the Company's PPMO technology used in VP-002 significantly increased levels of OPA1 protein, corrected major functional deficits that underly ADOA, and demonstrated an ability to reach the target cells in the retina, a key barrier facing other potential treatments for the condition. These data support continued development of the program toward clinical trials, and the Company expects to file an IND with the U.S. FDA in the first half of 2023.
- **Advanced our ocular pipeline discovery efforts.** PYC is cultivating a rich pipeline of novel development candidates to address additional ocular diseases. The Company expects to unveil additional development candidates for the treatment of high unmet need ocular indications during 2021.

### ***Central Nervous System (CNS) Diseases:***

- **Demonstrated superior ability of PPMO technology to deliver high levels of RNA therapeutic throughout the brain.** In April, PYC announced preclinical results demonstrating its PPMO technology has significant potential to provide therapies for patients with neurodegenerative diseases. This is an important expansion of the application of PYC's technology beyond the eye, and demonstrates the broad potential of the platform to change the lives of patients with inherited diseases. Building on these data, the Company expects to nominate a candidate targeting a high unmet need neurodegenerative condition in 2021.

### ***Corporate Initiatives:***

- **Established new U.S. headquarters in San Diego.** PYC announced residency at Johnson & Johnson Innovation, JLABS at San Diego (JLABS @ SAN DIEGO). PYC has appointed several key team members based at the new U.S. headquarters, who will build out capabilities related to preclinical and clinical development such as chemistry, manufacturing and controls and toxicology, along with business development, regulatory and other corporate activities. This cross-functional team will support the development of VP-001 and VP-002 as these programs move toward clinical trials and complement the continued work done at the drug discovery and scientific research hub in Perth.
- **Continued to engage key U.S. stakeholders including prospective investors and potential business development partners.** PYC's growing U.S.-based team has deepened engagement with prominent healthcare industry investors along with a wide range of potential business development partners. The Company's U.S. management team has attended multiple investor and pharma conferences this

year, and has been invited to attend multiple additional conferences before the end of the year in order to establish PYC as a global leader in RNA therapeutics in the largest life science market in the world.

- **Holds strong cash position to support program discovery and development and continued U.S. expansion.** PYC ended June 2021 with \$51 million (approx. USD \$38 million) in cash and cash equivalents. Based on its current operating plans, and considering the Australian R&D tax rebate, this provides the Company with a multi-year cash runway enabling a very strong foundation for execution of both Corporate and Program objectives.

Payments in the June quarter to related parties of \$418,000 included in item 6 in the attached Appendix 4C comprised fees and remuneration paid to Directors.

### **About PYC Therapeutics**

PYC Therapeutics (ASX: PYC) is a development-stage biotechnology company pioneering a new generation of RNA therapeutics that utilize PYC's proprietary library of naturally derived cell penetrating peptides to overcome the major challenges of current genetic medicines. PYC believes its PPMO (Peptide conjugated Phosphorodiamidate Morpholino Oligomer) technology enables a safer and more effective RNA therapeutic to address the underlying drivers of a range of genetic diseases for which no treatment solutions exist today. The Company is leveraging its leading-edge science to develop a pipeline of novel therapies including three preclinical stage programs focused on inherited eye diseases and preclinical discovery efforts focused on neurodegenerative diseases. PYC's discovery and laboratory operations are located in Australia, and the Company's preclinical, clinical, regulatory and corporate operations are based in San Diego, California. For more information, visit [pyctx.com](http://pyctx.com), or follow us on [LinkedIn](#) and [Twitter](#).

### **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 authorized for release by the Board of PYC Therapeutics Limited*

### **CONTACTS:**

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## 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")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(4,854)	(11,630)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(156)	(295)
(e) staff costs	(249)	(1,481)
(f) administration and corporate costs	(625)	(1,856)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	72	132
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	3,071	3,126
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,741)</b>	<b>(12,004)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(207)	(591)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(28)	(49)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(235)</b>	<b>(640)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	40,689
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	390	390
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(2,295)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(19)	(19)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>367</b>	<b>38,765</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	54,097	25,428
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,741)	(12,004)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(235)	(640)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	367	38,765
4.5	Effect of movement in exchange rates on cash held	28	(33)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>51,516</b>	<b>51,516</b>

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	18,449	21,097
5.2	Call deposits	33,067	33,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>51,516</b>	<b>54,097</b>

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	(418)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>During the quarter \$418k directors' remuneration was paid, which was included in item 1.2.</p> <p>Directors' payment is higher than usual during the current period. Some directors' remuneration was accrued in the March quarter but was paid in the current quarter.</p>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>	<input type="text"/>	
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.	<input type="text"/>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,741)
8.2 Cash and cash equivalents at quarter end (item 4.6)	51,516
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	51,516
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	(18.80)
<i>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.</i>	
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?	
<input type="text"/>	
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?	
<input type="text"/>	
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?	
<input type="text"/>	
<i>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.</i>	

**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.

28/07/2021

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.