

Announcement

PYC Therapeutics, (ASX:PYC) ('PYC' or 'the Company'), submits the following Appendix 4D and 31 December 2021 Interim Financial Statements.

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

About PYC Therapeutics

PYC Therapeutics (ASX: PYC) is a pre-clinical stage biotechnology company pioneering a new generation of RNA therapeutics that utilise 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 programs focused on neurodegenerative diseases. PYC's discovery and laboratory operations are located in Australia and its preclinical, clinical, regulatory and business development operations are located in the United States. For more information, visit 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

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1. Company details

Name of entity: PYC Therapeutics Limited and its controlled entities
 ABN: 48 098 391 961
 Reporting period: For the half-year ended 31 December 2021
 Previous period: For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	5619.2% to	6,081,025
Loss from ordinary activities after tax attributable to the owners of PYC Therapeutics Limited and its controlled entities	down	12.9% to	(6,418,285)
Loss for the half-year attributable to the owners of PYC Therapeutics Limited and its controlled entities	down	12.9% to	(6,418,285)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$6,418,285 (31 December 2020: \$7,369,743).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.36</u>	<u>1.79</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Murdoch University Collaborations (no material contribution to profit/(loss))	50.00%	50.00%	-	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material) Profit/(loss) from ordinary activities before income tax	-	-	-	-

9. Foreign entities

Not applicable.

10. Audit qualification or review

The financial statements are subject to a review by the auditors and the review report is attached as part of the Interim Financial Report for the half-year ended 31 December 2021.

11. Attachments

The Interim Report of PYC Therapeutics Limited and its controlled entities for the half-year ended 31 December 2021 is attached.

12. Signed

Signed  _____

Date: 28 February 2022

Rohan Hockings
 Managing Director
 Perth

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PYC Therapeutics Limited and its controlled entities

ABN 48 098 391 961

Interim Report - 31 December 2021

Directors	Mr Alan Tribe: Non-Executive Director and Chairperson Dr Rohan Hockings: Chief Executive Officer Dr Michael Rosenblatt: Non-Executive Director Mr Jason Haddock: Non-Executive Director
Company secretary	Mr Kevin Hart
Registered office	Suite 8, 7 The Esplanade Mt Pleasant Western Australia 6153 Telephone: +61 8 9316 9100 Facsimile: +61 8 9315 5475
Principal place of business	Harry Perkins Institute 6 Verdun Street Nedlands Western Australia 6009 Telephone: +61 8 6151 0992 Facsimile: +61 8 9315 5475
Share register	Automic Group Level 5, 191 St Georges Terrace Perth Western Australia 6000 Telephone within Australia: 1300 228 664 Telephone outside Australia: +61 2 8072 1400
Auditor	PricewaterhouseCoopers Level 15, 125 St Georges Terrace Perth Western Australia 6000
Stock exchange listing	PYC Therapeutics Limited and its controlled entities shares are listed on the Australian Securities Exchange (ASX code: PYC)
Website	www.pyctx.com

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**PYC Therapeutics Limited and its controlled entities
Directors' report
31 December 2021**



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') 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 half-year ended 31 December 2021.

Directors and company secretary

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

Mr Alan Tribe
Dr Rohan Hockings
Dr Michael Rosenblatt
Mr Jason Haddock

Mr Sahm Nasserri ceased to be a Director of the Company on 18 November 2021.

The company secretary is Mr Kevin Hart.

Review of operations

PYC Therapeutics is a biotechnology company creating a new generation of precision medicines by combining two complementary platform technologies:

- RNA drug design capabilities; with
- The Company's proprietary drug delivery technology.

PYC is dedicated to using its technology to change the lives of patients with genetic disease. The Company's initial focus is on blinding diseases of the eye.

PYC's co-lead investigational drug program is a disease-modifying therapy for patients with a rare blinding eye disease of childhood called Retinitis Pigmentosa type 11 and for which there are no treatments currently available. This drug candidate is currently progressing through Investigational New Drug-enabling studies and is scheduled to enter clinical trials in late 2022.

In addition to advancing its existing programs towards clinical studies, PYC is also scaling its underlying platform technology by investing in drug discovery activities in areas of significant unmet need. The Company has defined three priority target tissues and multiple indications within each tissue that link to the strategic advantages of the Company's technology.

As a result of both these discovery efforts and the anticipated progression of the Company's lead asset into first in human studies later this year, the Company is transforming into a clinical-stage biotechnology company with a broad and competitively differentiated pipeline in 2022.

Results of operations

- Operating loss after tax for the half-year ended 31 December 2021 was \$6.4M (31 December 2020: loss after tax: \$7.4M)
- Consolidated cash position at 31 December 2021 was \$21.5M, plus \$22.0M in investments being a term deposit with a term greater than 3 months.
- Expenditure for the half year was \$12.6M (31 December 2020: \$7.8M). The increase in expenditure is due to the increased studies required for VP-001 program to advance the Investigational New Drug studies and clinical trials.

COVID-19

The company has been able to maintain progress on the VP-001 program with only minor developmental delays despite the COVID restrictions. Critical laboratory activities have continued, and the majority of personnel are working at PYC's offices.

Significant changes in the state of affairs

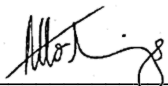
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Rohan Hockings'.

Rohan Hockings
Managing Director

28 February 2022

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Auditor's Independence Declaration

As lead auditor for the review of PYC Therapeutics Limited for the half-year ended 31 December 2021, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'C. Heatley'.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
28 February 2022

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PYC Therapeutics Limited and its controlled entities
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31 December 2021



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PYC Therapeutics Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
			Restated
Revenue			
Other income	3	6,081,025	106,327
Total revenue		<u>6,081,025</u>	<u>106,327</u>
Expenses			
Research and development expenditure	4	(9,383,725)	(5,035,403)
General and administrative expenses	5	(3,185,181)	(2,804,650)
Finance costs		(6,207)	(19,183)
Total expenses		<u>(12,575,113)</u>	<u>(7,859,236)</u>
Loss before income tax expense		(6,494,088)	(7,752,909)
Income tax expense		-	-
Loss after income tax expense for the half-year		(6,494,088)	(7,752,909)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>(6,494,088)</u>	<u>(7,752,909)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(75,803)	(383,166)
Owners of PYC Therapeutics Limited and its controlled entities		(6,418,285)	(7,369,743)
		<u>(6,494,088)</u>	<u>(7,752,909)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(75,803)	(383,166)
Owners of PYC Therapeutics Limited and its controlled entities		(6,418,285)	(7,369,743)
		<u>(6,494,088)</u>	<u>(7,752,909)</u>
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of PYC Therapeutics Limited and its controlled entities			
Basic earnings per share		(0.20)	(0.26)
Diluted earnings per share		(0.20)	(0.26)
Earnings per share for loss attributable to the owners of PYC Therapeutics Limited and its controlled entities			
Basic earnings per share		(0.20)	(0.24)
Diluted earnings per share		(0.20)	(0.24)

* See note 1 for details regarding the restatement as a result of changing presentation of expenses from by nature to by function.

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

PYC Therapeutics Limited and its controlled entities
Consolidated statement of financial position
As at 31 December 2021



	Consolidated	
Note	31 Dec 2021	30 Jun 2021
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	21,560,913	18,435,199
Funds held in term deposits	22,083,763	33,067,094
Trade and other receivables	2,099,241	185,634
Other assets	223,972	93,057
Total current assets	<u>45,967,889</u>	<u>51,780,984</u>
Non-current assets		
Property, plant and equipment	667,885	745,507
Right-of-use assets	623,878	740,768
Intangibles	4,550,000	4,650,000
Other assets	23,595	23,595
Total non-current assets	<u>5,865,358</u>	<u>6,159,870</u>
Total assets	<u>51,833,247</u>	<u>57,940,854</u>
Liabilities		
Current liabilities		
Trade and other payables	2,697,350	2,928,128
Lease liabilities	245,820	187,530
Employee benefits	790,786	181,386
Total current liabilities	<u>3,733,956</u>	<u>3,297,044</u>
Non-current liabilities		
Lease liabilities	427,782	542,824
Employee benefits	57,469	176,725
Total non-current liabilities	<u>485,251</u>	<u>719,549</u>
Total liabilities	<u>4,219,207</u>	<u>4,016,593</u>
Net assets	<u>47,614,040</u>	<u>53,924,261</u>
Equity		
Issued capital	6 125,991,333	125,991,333
Reserves	8,753,827	8,569,960
Accumulated losses	(87,935,578)	(81,517,293)
Equity attributable to the owners of PYC Therapeutics Limited and its controlled entities	46,809,582	53,044,000
Non-controlling interest	804,458	880,261
Total equity	<u>47,614,040</u>	<u>53,924,261</u>

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

PYC Therapeutics Limited and its controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Issued capital \$	Share based payment reserve \$	Transactions with NCI Reserve * \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2020	87,206,822	1,995,740	3,000,000	(63,749,707)	1,742,676	30,195,531
Loss after income tax expense for the half-year	-	-	-	(7,369,743)	(383,166)	(7,752,909)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(7,369,743)	(383,166)	(7,752,909)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	40,689,181	-	-	-	-	40,689,181
Costs of share issue	(2,245,457)	-	-	-	-	(2,245,457)
Share-based payments	-	590,212	-	-	-	590,212
Balance at 31 December 2020	<u>125,650,546</u>	<u>2,585,952</u>	<u>3,000,000</u>	<u>(71,119,450)</u>	<u>1,359,510</u>	<u>61,476,558</u>

* Restated as noted in Note 19 of the 30 June 2021 annual report

Consolidated	Issued capital \$	Share based payment reserve \$	Transactions with NCI reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2021	125,991,333	5,624,516	3,000,000	(54,556)	(81,517,293)	880,261	53,924,261
Loss after income tax expense for the half-year	-	-	-	-	(6,418,285)	(75,803)	(6,494,088)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(6,418,285)	(75,803)	(6,494,088)
<i>Transactions with owners in their capacity as owners:</i>							
Share-based payments	-	176,147	-	-	-	-	176,147
Foreign currency transaction reserve	-	-	-	7,720	-	-	7,720
Balance at 31 December 2021	<u>125,991,333</u>	<u>5,800,663</u>	<u>3,000,000</u>	<u>(46,836)</u>	<u>(87,935,578)</u>	<u>804,458</u>	<u>47,614,040</u>

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

PYC Therapeutics Limited and its controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2021



	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(11,738,109)	(6,560,996)
R&D tax incentive received	4,116,520	-
Other income received	-	58,351
Interest received	18,626	55,156
Interest paid leases	(17,588)	(19,183)
	<u>(7,620,551)</u>	<u>(6,466,672)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(129,179)	(81,379)
Funds transferred from / (to) term deposits	10,983,331	(33,000,000)
Security deposits released / (paid)	7,041	(8,850)
	<u>10,861,193</u>	<u>(33,090,229)</u>
Net cash from/(used in) investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	-	38,443,724
Principal elements of lease payments	(110,554)	(82,475)
	<u>(110,554)</u>	<u>38,361,249</u>
Net cash from/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	3,130,088	(1,195,652)
Cash and cash equivalents at the beginning of the financial half-year	18,435,199	25,428,095
Effects of exchange rate changes on cash and cash equivalents	(4,374)	(63,931)
	<u>21,560,913</u>	<u>24,168,512</u>
Cash and cash equivalents at the end of the financial half-year		

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

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Note 1. Significant accounting policies

Basis of preparation

These interim financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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.

Presentation restatement

The presentation of the income statement has been restated in the current period to reclassify expenses by function rather than by nature to align to peers in the industry. Expenses have been allocated between research and development expenses ("R&D") (Note 4) and general and administrative expenses ("G&A") (Note 5). To ensure comparability, the comparative period has also been reclassified to align presentation, the impacts of the reclassification in the prior period are as follows:

	Expenditures by nature Dec 2020 \$	Allocated to R&D by function Dec 2020 restated \$	Allocated to G&A by function Dec 2020 restated \$	Allocated to finance costs by function Dec 2020 restated \$
Contract research costs	7,379	7,379	-	-
Personnel expenses	3,773,479	1,919,433	1,854,046	-
Depreciation and amortisation	286,996	-	286,996	-
Professional services	386,852	-	386,852	-
Travel and accommodation	9,832	-	9,832	-
Interest on operating leases	19,183	-	-	19,183
Intellectual property maintenance	8,656	8,656	-	-
Laboratory consumables	3,099,935	3,099,935	-	-
Occupancy costs	22,754	-	22,754	-
Other operating expenses	244,170	-	244,170	-
	<u>7,859,236</u>	<u>5,035,403</u>	<u>2,804,650</u>	<u>19,183</u>

Note 2. 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. In 2021 an office in the US was established 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 statement of comprehensive income and statement of financial position.

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

Note 2. Operating segments (continued)

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 Makers ('CODM'). The CODM of the Group is considered to be the CEO, Dr Rohan Hocking. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 3. Other income

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
R&D tax incentive	5,997,821	-
Interest income	16,554	47,977
Government COVID Cash Boost	-	58,350
WA Innovator of the Year reward	70,000	-
Other	(3,350)	-
	<u>6,081,025</u>	<u>106,327</u>
Other income		

The 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.

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.

Note 4. Research and development expenditure

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Research and development expenses	<u>9,383,725</u>	<u>5,035,403</u>

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 have been expensed.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the 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:

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Employee benefits expenses	<u>3,275,410</u>	<u>1,919,433</u>

Note 5. General and administrative expenses

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Employee benefits expenses	1,707,058	1,263,834
Share-based payment expenses	176,147	590,212
Professional services	223,489	376,994
Depreciation and amortisation	423,993	286,996
Travel and accommodation	36,650	9,832
Audit	29,172	9,858
Other administrative expenses	588,672	266,924
	<u>3,185,181</u>	<u>2,804,650</u>

Note 6. Issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>3,180,926,103</u>	<u>3,180,926,103</u>	<u>125,991,333</u>	<u>125,991,333</u>

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.

Note 7. Dividends

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

Note 8. Events after the reporting period

In January 2022, PYC re-capitalised Vision Pharma Pty Ltd with a resolution to offer additional shares on a pro-rata basis to existing shareholders and provided a \$10M injection. LEI did not participate in the capital raising and as such PYC's shareholding in Vision Pharma Pty Ltd has increased from 90.0% to 93.5% subsequent to the share subscriptions.

Note 9. Share-based payments

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

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 Dec 2021	31 Dec 2021	31 Dec 2020	31 Dec 2020
Outstanding at the beginning of the financial half-year	81,000,000	\$0.117	45,000,000	\$0.057
Granted	3,000,000	\$0.175	32,000,000	\$0.150
Forfeited	<u>(22,000,000)</u>	\$0.076	-	\$0.000
Outstanding at the end of the financial half-year	<u>62,000,000</u>	\$0.089	<u>77,000,000</u>	\$0.095

Note 9. Share-based payments (continued)

31 Dec 2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
17/02/2020	28/02/2023	\$0.063	6,666,667	-	-	-	6,666,667
10/03/2020	28/02/2023	\$0.060	15,000,000	-	-	-	15,000,000
03/11/2020	28/02/2023	\$0.063	13,333,333	-	-	-	13,333,333
16/12/2020	30/11/2023	\$0.063	32,000,000	-	-	(20,000,000)	12,000,000
23/03/2021	23/03/2024	\$0.210	3,000,000	-	-	(2,000,000)	1,000,000
23/03/2021	28/02/2031	\$0.170	6,000,000	-	-	-	6,000,000
23/03/2021	23/03/2031	\$0.170	2,500,000	-	-	-	2,500,000
23/03/2021	29/03/2031	\$0.170	2,500,000	-	-	-	2,500,000
19/11/2021	18/11/2031	\$0.180	-	1,500,000	-	-	1,500,000
23/11/2021	23/11/2024	\$0.170	-	1,500,000	-	-	1,500,000
			<u>81,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(22,000,000)</u>	<u>62,000,000</u>

31 Dec 2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
16/11/2018	16/11/2021	\$0.039	10,000,000	-	-	-	10,000,000
17/02/2020	28/02/2023	\$0.063	20,000,000	-	-	-	20,000,000
10/03/2020	28/02/2023	\$0.060	15,000,000	-	-	-	15,000,000
16/12/2020	30/11/2023	\$0.150	-	32,000,000	-	-	32,000,000
			<u>45,000,000</u>	<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>77,000,000</u>

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

Grant date	Expiry date	31 Dec 2021 Number	31 Dec 2020 Number
17/02/2020	28/02/2023	13,333,333	6,666,667
10/03/2020	28/02/2023	10,000,000	5,000,000
23/03/2021	23/03/2031	416,666	-
23/08/2021	29/03/2031	416,666	-
23/03/2021	23/03/2024	1,000,000	-
		<u>25,166,665</u>	<u>11,666,667</u>

The weighted average exercise share price during the financial half-year was \$0.089 (Dec 2020: \$0.095).

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 3.00 years (Dec 2020: 2.03 years).

For the options granted during the current financial half-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
19/11/2021	18/11/2031	\$0.150	\$0.180	100.00%	-	1.81%	\$0.132
23/11/2021	23/11/2024	\$0.155	\$0.170	100.00%	-	1.01%	\$0.093

**PYC Therapeutics Limited and its controlled entities
Directors' declaration
31 December 2021**



In the Directors' opinion:

- the attached financial statements and notes 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 31 December 2021 and of its performance for the half-year ended on that date and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Rohan Hockings', written over a horizontal line.

Rohan Hockings
Managing Director

28 February 2022

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Independent auditor's review report to the members of PYC Therapeutics Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of PYC Therapeutics Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of PYC Therapeutics Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true

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and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CH'.

Craig Heatley
Partner

Perth
28 February 2022

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