PYC Therapeutics

Annual Report 2023

ACN: 098 391 961

ASX: PYC

PYC Therapeutics Limited Annual Financial Statements For The Year Ended 30 June 2023

Corporate directory

Directors

Mr Alan Tribe:
Non-Executive Director and Chairperson

Dr Rohan Hockings:
Executive Director & Chief Executive Officer

Dr Michael Rosenblatt:
Non-Executive Director

Mr Jason Haddock:
Non-Executive Director

Company secretary

Mr Andrew Taylor & 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

Postal address

Suite 8, 7 The Esplanade
Mt Pleasant Western Australia 6153
Australia

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

Pricewaterhouse Coopers

Level 15, 125 St Georges Terrace
Perth Western Australia 6000

Stock exchange listing

PYC Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX code: PYC)

Incorporated in Western Australia, October 2001

Website

www.pyctx.com

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Chairman's Letter to Shareholders 30 June 2023

Dear Fellow Shareholders,

I am pleased to share the results and operating review for 2022/23, a year of significant progress. PYC is now a clinical stage Company with in-human trials being conducted for its first drug and the probability of in-human trials of its second drug commencing in 2024. In addition, there are two additional development programs being rapidly advanced towards human trials in the near term.

Strategic Objectives

Five years ago, following a change in executive management, there was a review of the activities and objectives of the Company. This led to the identification and adoption of an overall strategy to:

- **Own the molecule:** discover and develop new drugs for patients with major unmet needs;
- **Embrace the macro trend:** towards RNA therapies as a disruptive new class of medicines;
- **Maximise the prospects of success:** pursue genetically validated targets with the highest likelihood of success in human trials;
- **Move the needle for patients:** address the underlying cause of the disease;
- **Commercialise the impact:** first-in-class drugs to change patient lives in multi-billion dollar markets.

The Company's activities during the past year have been a continuation of the pursuit of this strategy. It is interesting to note that other industry players are increasingly moving in this direction.

PYC is at the forefront of the development and application of RNA technology. To date this has yielded four prospective drug development programs each with high potential for the treatment of patients and commercialisation.

PYC Programs

Research and development on all four programs continued during 2022/23.

Most significantly, the Company's first drug program to treat the blinding eye disease Retinitis Pigmentosa type 11 commenced first in-human trials earlier in 2023 and attracted Fast Track status from the US Food and Drug Administration (FDA).

These trials are being performed in accordance

with a plan approved by the FDA. Dosing at the first and lowest level is now complete with the next stages being dosing at escalating levels.

The Company's second drug for the treatment of the eye disease Autosomal Dominant Optic Atrophy (ADOA) passed a significant milestone. Not only has this drug been successfully tested in samples derived from humans, but positive results have also been achieved in non-human primates. The outlook for this drug is promising with a high chance of success.

Work continues on the other two programs, one being for the treatment of Phelan McDermid Syndrome (PMS), a debilitating neurodevelopmental disease. Updates on this and the other program are expected in the near future.

In summary PYC has four drug development programs with high potential to provide relief to patients in indications for which there is currently no other treatment. Together they form a suite of assets with high value to both patients and shareholders. The Company has achieved this with a low operating cost model meaning that much has been obtained from the relatively small amount of funds utilised.

Poised for Growth

The Company's future prospects are excellent. As we move towards 2024, PYC has:

- one drug already in-human trials – approaching the transition to late-stage trials;
- plans to commence human trials of the second drug for ADOA;
- the opportunity for significant advancement towards in-human trials in its other two programs.

Each of these programs has significant importance for patients and real value to underpin a sustainable business model into the future. We can already see the time in 2027/28 when the Company's first drug could enter the market providing a valuable source of funding for the future.

PYC Team

The frugality of PYC's operations is underpinned by the dedication and hard work of its talented team within Australia and the USA. It is inspiring to be part of this group. I heartily thank them for their commitment and congratulate them on the results that they have achieved.

We are all looking forward to continuing the run of major progress and success in the year ahead.

Kind regards,
Alan Tribe
Non-Executive Director & Chairperson
PYC Therapeutics Limited

Chief Executive Officer's Letter to Shareholders 30 June 2023

Dear Shareholder,

I am pleased to present the annual report for PYC Therapeutics Ltd for the year ended 30 June 2023 and to highlight the Company's achievements over the past year as it has transformed into a multi-asset, clinical-stage company.

PYC's purpose is to undertake life-changing science to improve the lives of patients who have genetic diseases and no treatment options available. The Company made material progress in the realisation of its strategy in FY23 including setting the platform for achieving its near-term objective of progressing 3 first-in-class drug candidates with disease-modifying potential into human studies before the end of CY2024.

Key highlights of FY23 on the path to delivering this objective include:

- Progression of the first drug for the treatment of a blinding eye disease called Retinitis Pigmentosa type 11 (RP11) into human trials
- Fast Track designation for the RP11 drug candidate conferred by the US Food and Drug Administration (FDA) – creating the potential for an accelerated path to market for this program
- Successful completion of the repeat dose Good Laboratory Practice (GLP) toxicology studies required to support progression of the RP11 drug candidate into a phase 2 clinical trial (expected to begin in mid-2024)
- Selection of a lead candidate in the Company's second drug development program - a first-in-class RNA therapy for the treatment of Autosomal Dominant Optic Atrophy that is expected to progress into clinical development in 2024
- Addition of a third program to the Company's drug development pipeline – a first-in-class RNA therapy for the treatment of Phelan McDermid Syndrome - a severe neurodevelopmental disorder affecting children
- Completion of a $30m capital raise to enable further progression and expansion of the Company's drug development pipeline

PYC has now entered a window of regular human data read-outs with clinical results expected every 12 months going forward. These results will inform the Company's prospects of launching first-in-class therapies with disease-modifying potential into multi-billion dollar markets.

The Company's strategy has positioned it at the forefront of an emerging trend within life sciences – the use of RNA therapies to increase gene expression in diseases where both too much and too little of the relevant gene manifest in disease. The strength of this link between technology and indication selection is being increasingly understood and valued within the industry.

PYC is a clinical-stage company developing the assets with the greatest prospect of success in the clinic. It is an exciting time for the patients participating in the Company's clinical trials and our team of dedicated scientists. Continued progress on this trajectory will see this excitement extend to our shareholder base.

PYC would like to thank existing and new shareholders for their support over the past year. We look forward to updating you regularly across an extensive series of milestones with life-changing potential throughout the course of FY24.

Kind regards,
Rohan Hockings
Executive Director & Chief Executive Officer
PYC Therapeutics Limited

Operational & Financial Review

Program Highlights

VP-001 (Retinitis Pigmentosa Type 11 – RP11)

RP11 is a progressive and blinding eye disease of childhood for which there are no available treatment options. RP11 is caused by haploinsufficiency (insufficient expression) of the PRPF31 gene in retinal pigmented epithelial cells and photoreceptors. There are an estimated 5,000 - 10,000 addressable patients in the western world with an estimated market size of $1 billion p.a[1]. VP-001 is currently in a Phase 1 clinical trial which seeks to treat the underlying cause of RP11 and halt the decline in patient's sight associated with the disease.

During the last 12 months, the VP-001 program achieved the following milestones:

- An Investigational New Drug (IND) application was accepted by the US FDA enabling PYC to dose the first RP11 patient with VP-001 in the Phase 1 PLATYPUS study
- Completion of in vivo toxicology and genotoxicity studies demonstrating VP-001 was safe and well-tolerated across two species with no evidence of genotoxicity
- Receipt of Fast Track designation from the FDA providing for increased frequency of meetings with the FDA and eligibility for Accelerated Approval and Priority Review.
- Enrolment of 29 patients in the QUOKKA natural history study to document the disease progression of RP11 patients. This study will provide valuable data for future registrational trials.

PYC-001 (Autosomal Dominant Optic Atrophy – ADOA)

ADOA is a progressive and blinding eye disease with no treatment options available today. PYC-001 addresses the underlying cause of ADOA by increasing OPA1 protein expression in the affected retinal ganglion cells. There are an estimated 9,000-16,000 addressable patients with ADOA in the western world (representing an estimated market of $2 billion p.a.[2]) and the median age of disease onset in this patient population is 7 years of age.

During the last 12 months, the PYC-001 program achieved the following milestones:

- Selection of a lead candidate to progress to IND-enabling studies (Submission of the IND application is expected in Q2 2024)
- Completion of studies both in vivo and in patient-derived models demonstrating the disease-modifying potential of PYC-001

1 Sullivan, L et al. Genomic rearrangements of the PRPF31 gene account for 3% of autosomal dominant retinitis pigmentosa. Invest Ophthalmol Vis Sci. 2006;47(10):4579-88. EvaluatePharma. Orphan Drug Report. 2019.

2 Yu-Wai-Man, P. et al. Ophthalmology. 2010;117(8):1538-46 doi: 10.1016/j.ophtha.2009.12.038. EvaluatePharma. Orphan Drug Report. 2019

- Completion of studies in Non-Human Primates to support the design of the upcoming Good Laboratory Practice toxicology studies required to support the upcoming IND

PYC-002 (Phelan-McDermid Syndrome – PMS)

The Company announced the addition of a third program (PYC-002) targeting Phelan-McDermid Syndrome to its pipeline. PMS is one of the most common monogenic forms of severe neurodevelopmental disorder characterised by autism spectrum disorder, speech and developmental delays and epilepsy and affects ~1 in every 8,000-15,000 children. The estimated addressable market of PMS is $5 billion p.a.[3]

- PYC is seeking to advance the first disease-modifying approach for the treatment of PMS into clinical development through the PYC-002 program
- Studies completed during the period confirmed that the target cells affected in PMS can be reached in vivo

3 Zeidan, J., Fombonne, E., Scorah, J., Ibrahim, A., Durkin, M. S., Saxena, S., Yusuf, A., Shih, A., & Elsabbagh, M. Global prevalence of autism: A systematic review update. Autism Research. 2022;1–13. doi: 10.1002/aur.2696. EvaluatePharma. Orphan Drug Report. 2019.

Financial Review

PYC expects to have approximately $49.0 million of funds available to progress the Company's pipeline of drug programs. The Group had cash and cash equivalents on hand at 30 June 2023 of $15.6 million (30 June 2022: $29.1 million). Proceeds of $17.4 million were received by PYC after 30 June 2023 following completion of Tranche 2 of the Company's recent $30 million capital raising. The Company also expects to receive an estimated $16.1 million R&D rebate from the ATO in 1H24 yielding $49.0 million in total funding.

Total loss for the 12 months ended 30 June 2023 for the Group was $23.4 million (12 months ended 30 June 2022: $14.3 million), an increase of $10.1 million. Total income of $15.8 million was $0.1 million lower than the 12 months ended 30 June 2022 due to multiple incentive periods recognised in the 2022 financial year. R&D expenditure increased $11.1 million to $35.1 million as the VP-001 program progressed through IND enabling toxicology studies and commenced the Phase 1 clinical study. General and administrative expenses of $4.1 million were $2.2 million lower than the 12 months ended 30 June 2022 attributable to lower employee and share based payment expenses and reduced corporate headcount.

PYC's Strategy

Strategy overview

PYC's strategy is designed in support of the Company's vision of conducting life-changing science. PYC maximises its prospects of success by selecting indications with the highest form of validation of the genetic target (monogenic diseases). These indications are associated with a 5 times higher prospect of success in clinical development than the industry average[4]

A HIGHER PROBABILITY OF SUCCESS

PYC focuses on monogenic indications. These have the highest likelihood of approval from the start of clinical trials to market of any indication[1]

A FASTER PATH TO MARKET

The potential for approval following two clinical trials (not three) due to the absence of existing treatment options for patients with the targeted indications

LIKELY RAPID UPTAKE IN MARKET

First-in-class drugs in rare diseases achieve rapid market penetration with a very short lead time to peak sales

ORPHAN DRUG PRICING

Median list price of - US$150,000[5] per patient per annum making for commercially attractive markets across the pipeline

4 Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank https://doi.org/10.1101/2020.11.02.20222232

5 EvaluatePharma. Orphan Drug Report. 2019.

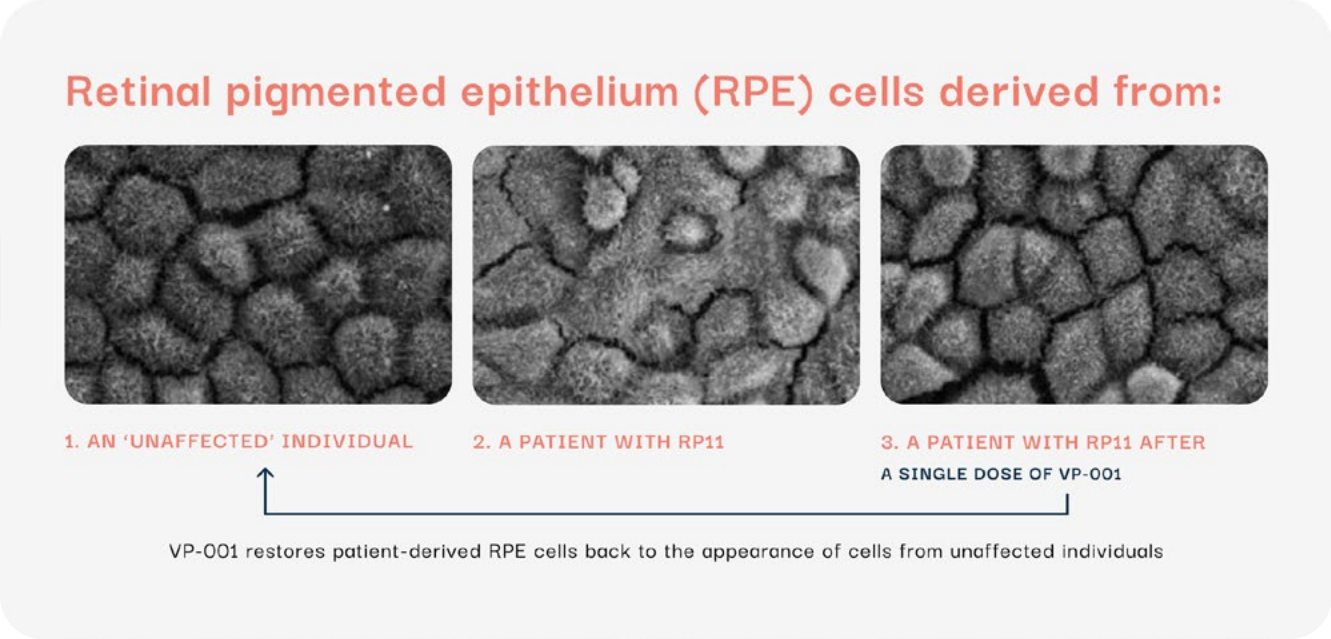
PYC applies its technology in an area of competitive differentiation for RNA therapies – diseases caused by haploinsufficiency. Haploinsufficient diseases are unique in the sense that both too much and too little expression of the target gene will manifest in disease. RNA therapies are differentiated by their ability to achieve subtle upregulation of gene expression making them a 'perfect fit' for diseases caused by haploinsufficiency.

PYC further enhances its prospects of commercial success by targeting diseases with no existing treatment options available today.

First-in-class RNA therapies with disease-modifying potential have a rapid uptake in market following successful clinical trials. Each of the indications targeted by PYC has an addressable market with annual recurring revenues of between $1 billion and $5 billion.

PYC enhances its prospects of success in human trials by validating its drug candidates in patient-derived models early on in the development course. These models offer a substantial insight on the prospects of success in human studies prior to initiation of clinical trials.

When utilised in the context of the VP- 001 program, images below demonstrate the effectiveness off the drug on RP11 target cells to correct the morphology of patient cells before and after treatment.



FY24 Outlook

Upon commencing the Phase 1 trial in the VP-001 program, PYC is now expecting to enter a window of generating human data every 12 months. This commences with the primary readout of the Phase 1 study in VP-001 coupled with the anticipated commencement of a Phase 1 study in PYC-001 in 2Q 2024. PYC expects the following progress to be made on its pipeline of drug programs over the next 12 months:

Discovery Programs

In addition to the development work under way across its existing pipeline, PYC continues to actively invest in multiple discovery programs that are expected to expand the Company's pipeline over the coming 12 months. These discovery programs complement and expand PYC's pipeline across high value target indications in areas of major unmet patient need. These discovery activities leverage the strengths of PYC's approach to drug development that is differentiated by the exceptionally high prospect of success for drugs targeting genetically-validated targets once human trials begin.

^ estimated adressable population for each indication multiplied by average orphan drug price US$150,000 (EvaluatePharma. Orphan Drug Report. 2019.).

Forward looking statements

Any forward-looking statements in this report 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 risk, 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 report 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 report 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

Business Risks

The Company's short to medium term operational and financial success may be impacted by a number of factors which may be material to the Company's future success. Some of these risks and mitigation strategies include, but are not limited to:

Risk	Mitigation and management strategies
Funding	The continuing viability of the Group is dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage. An inability to obtain funding, as and when needed, would have a negative impact on the Group's financial condition and the ability to pursue its business strategies. If the Group is unable to obtain the required funding to run its operations and to develop and commercialise its drug candidates, the Group could be forced to delay, reduce or eliminate some or all of its research and development programs, which could adversely affect its business prospects. The Group is also dependent on funding received from the Australian Tax Office via the R&D tax incentive to progress the development of its drug pipeline. Any significant changes to this tax legislation would have an impact on the funding of the Company. Management proactively explores opportunities to out license programs in its development pipelines whilst continuing to engage with equity market investors to ensure sufficient capital is available to the Group to enable progression of all programs in the Group's pipeline.
Drug development	Drug development is a long and highly regulated process with many identified potential risks. Whilst the Company completes significant in-vitro and in-vivo studies prior to commencing a in-human clinical trial, there remains a risk that the safety and efficacy of the drug candidate may not be evident in clinical trials to enable registration of the drug with authorities and ultimately leading to being unable to commercialise the drug program. PYC mitigates this risk by pursuing monogenic indications which studies have shown have a 5x greater probability of clinical success[1]. Additionally, PYC utilises patient derived models in pre-clinical studies to give the greatest insight into the drug candidates effectiveness prior to committing to proceeding any drug candidate into in human clinical trials.
Foreign Currency Risk	As programs progress into clinical development, a significant proportion of the Company's expenditure is denominated in US dollars exposing the Company to fluctuations in its operating costs and consequently costs may exceed those forecast to reach milestones with current funding. The Company holds reserves of USD for upcoming USD supplier payments and proactively acquires additional USD reserves when FX rates are in the Company's favour.
Competitive landscape	One of PYC's strategic advantages is pursuing indications which currently have no treatment available to patients. The development of a treatment for an indication PYC is pursuing by a competitor would have a negative effect on the value of PYC's program due to either the competitor receiving approval for a therapeutic prior to PYC receiving regulatory approval or the competitor receiving regulatory approval for a superior therapeutic after PYC commercialises the program and consequently reduces PYC's market share. Management continually reviews the progress of competitors including reproducing competitor data to assess against PYC's drug candidates. The Company also retains numerous industry experts, including IP attorneys, to assess the competitive landscape.

1 Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank https://doi.org/10.1101/2020.11.02.20222232

Risk	Mitigation and management strategies
IP	PYC's drug programs are protected by an extensive suite of granted and pending international patents, and also depends on proprietary know-how, trade secrets, and confidential information. If any of these be compromised, struck down, or otherwise rendered indefensible, PYC's ability to realise value from the asset may be severely compromised. PYC retains the services of a leading IP attorney to manage and maintain its international IP rights. PYC continually reviews the IP landscape for indications it is pursuing to ensure IP protection is retained.
Regulatory changes	PYC's commercial success is dependent on the ability to access regulatory and commercial incentives available to it including, but not limited to, the Orphan Drug Act of 1983 passed in the United States of America. Significant regulatory changes could impact PYC's ability to receive approval to market any of the drugs in its pipeline or provide sufficient returns to investors once marketed. The Company pays close attention to regulatory changes across its targeted markets and utilises regulatory consultants where appropriate.Management proactively explores opportunities to out license programs in its development pipelines whilst continuing to engage with equity market investors to ensure sufficient capital is available to the Group to enable progression of all programs in the Group's pipeline.
Dependence on commercial partners	Due to the nature of the biotech industry, PYC is reliant on third parties to complete various stages of the program development. This includes, but not limited to, manufacturing of test materials, conducting in-vivo and in-vitro studies and management of clinical trials. The successful performance of these contracts are critical to the success of PYC's drug development programs. The Company ensures any third parties contracted are reputable through reference checks with industry contacts. PYC utilises suppliers, where appropriate, that have passed FDA audits to ensure materials and study results received comply with regulatory requirements.
Regulatory approvals	The ultimate success of PYC's drug programs is regulatory approval to commercialise the drug for patient use. Prior to this, approval is required by these regulators to allow PYC to conduct clinical trials in human patients to assess the safety and efficacy of the drug. The inability to obtain these approvals from regulators impacts PYC's ability to progress its drug programs into clinical studies and ultimately commercialisation. PYC actively engages with the US Food & Drug Administration (FDA) throughout the pre-clinical and clinical process to ensure studies and endpoints are tailored to provide sufficient data to enable regulatory approvals. This includes, but not limited to, pre-IND meetings with the FDA and applications for designations including "Fast-Track" status which provides additional interactions with the FDA throughout the clinical trial process.

Directors' Report

PYC Therapeutics

Directors' Report 30 June 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of PYC Therapeutics Limited and its controlled entities (referred to hereafter as the 'Company' or 'Parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023, and the audit report thereon.

1. Directors

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

Mr Alan Tribe
Non-Executive Director & Chairperson

Dr Rohan Hockings
Executive Director & Chief Executive Officer

Dr Michael Rosenblatt
Non-Executive Director

Mr Jason Haddock
Non-Executive Director

Information on Directors

Name:
Mr Alan Tribe

Title:
Non-Executive Director & Chairperson
Appointed 11 April 2018

Experience and expertise:
Mr Tribe has a background in the accounting profession both in the UK and Australia. Moving into industry he became the Managing Director of a group of companies with interests in natural resources in Australia and overseas. The group also included a technology Group which grew through both successful product development and acquisitions.

He was closely involved in establishing subsidiary operations in the USA, UK and Singapore to access markets worldwide.

Most recently he was the catalyst for the development of large retail operations in Western and South Australia.

Mr Tribe will contribute his broad experience in successfully commercialising technology internationally. He represents a large shareholding in PYC.

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
975,185,905 Ordinary shares

Interests in options:
Nil

Name:
Dr Rohan Hockings M.B.B.S (Hons.), J.D., G.D.L.P

Title:
Executive Director & Chief Executive Officer
Appointed 30 November 2018

Experience and expertise:
Dr Hockings spent four years with McKinsey & Company and a further two years in the Private Equity industry before joining PYC Therapeutics.

He brings a deep affinity for conceptual thinking to PYC Therapeutics along with an understanding of the company's technology and its commercialisation path.

Dr Hockings is a founding principal of a private equity fund active in the acquisition of health care assets within Australia. His previous roles include strategy and operational advisory positions with a global management consulting firm, equity capital markets experience as a solicitor with a national law firm and a number of appointments as a medical practitioner. Dr Hockings has a special interest in both venture capital and private equity within the healthcare industry.

Dr Hockings holds double degrees in medicine and law. He has worked across both disciplines following an internship at Sir Charles Gairdner Hospital and admission to practice in the Supreme Court of Victoria respectively.

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
10,000,000 Ordinary shares

Interests in options:
Nil

Information on Directors

Name:
Dr Michael Rosenblatt BA, MD(Hons.), J.D., G.D.L.P

Title:
Non-Executive Director
Appointed 17 March 2021

Experience and expertise:
Dr Rosenblatt is currently a Senior Partner of Flagship Pioneering.

Dr Rosenblatt joined Flagship from Merck, where he served as Executive Vice President and Chief Medical Officer from 2009 to 2016. During an earlier period at Merck, he led drug discovery efforts in ophthalmology, molecular biology, bone biology, virology, cancer research, gastroenterology, lipid metabolism and cardiovascular research.

He has held appointments as Dean of Tufts University School of Medicine; Robert H. Ebert Professor of Molecular Medicine and George R. Minot Professor of Medicine, both at Harvard Medical School; President, Harvard Faculty Dean and Senior Vice President for Academic Programs of Beth Israel Deaconess Medical Center; and Director of the Harvard-MIT Division of Health Sciences and Technology.

Dr Rosenblatt has served as a founding scientist, scientific advisory board member or director of more than 12 biopharmaceutical companies. He received his BA summa cum laude from Columbia University and his MD magna cum laude from Harvard Medical School, and completed internship, residency and endocrinology training at the Massachusetts General Hospital.

Other current directorships:
None

Former directorships (last 3 years):
None

Interests in shares:
Nil

Interests in options:
2,500,000 unlisted options exercisable by the payment of $0.17 on or before 23 March 2031, subject to vesting conditions

Name:
Mr Jason Haddock BS, MBA

Title:
Non-Executive Director
Appointed 29 March 2021

Experience and expertise:
Jason Haddock has more than 20 years of financial and operational experience in the biopharmaceutical industry. He served as CFO at Array BioPharma, Inc., where he was instrumental in the execution of an oncology-focused research, development and commercialization strategy that culminated in the successful launch of two new drugs and the company ultimately being acquired by Pfizer.

Prior, he worked at Bristol-Myers Squibb in a variety of finance, strategic, commercial and business development capacities, including CFO and COO roles for business units in Asia Pacific, Europe and the United States. Mr. Haddock has also served as CFO for ArcherDX as the company was acquired by Invitae to create a global leader in comprehensive cancer genetics and precision oncology. He holds a BS in accounting from Illinois State University and an EMBA from Washington University in St. Louis.

Other current directorships:
None

Former directorships (last 3 years):
Codiak Biosciences Inc

Interests in shares:
Nil

Interests in options:
2,500,000 unlisted options exercisable by the payment of $0.17 on or before 29 March 2031, subject to vesting conditions

2. Company Secretary

Mr Andrew Taylor BComm, CA, GAICD

Chief Financial Officer & Company Secretary – Commenced 19 April 2022

Mr Taylor holds a Bachelor of Commerce Degree and is a Chartered Accountant. Mr Taylor has more than 14 years of professional experience holding senior finance positions with ASX listed companies and a Big 4 audit firm. He has overseen the management of financial operations in North and South America and completed numerous debt and equity raisings on public markets.

Mr Kevin Hart BComm, FCA

Company Secretary – Appointed 24 July 2017

Mr Hart holds a Bachelor of Commerce Degree and is a Chartered Accountant. He is a Director at Endeavour Corporate Pty Ltd, an advisory firm that specialises in the provision of Group secretarial and accounting services to ASX listed entities. Mr Hart has more than 30 years of professional experience with the accounting and management of public companies.

3. Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Mr Alan Tribe	6	6
Dr Rohan Hockings	6	6
Mr Jason Haddock	4	6
Dr Michael Rosenblatt	6	6

4. Principal Activities

During the financial year the principal continuing activities of the Group consisted of drug development and progressing the Company's drug pipeline through preclinical and clinical development.

5. Operating Results and Financial Position

Financial performance

The consolidated results of the Group for the year reflects the Group's investment in advancing its drug development.

	2023 $	2022 $
Operating loss after tax	(23,356,480)	(14,293,968)
R&D tax incentive income	15,806,256	15,972,821

Financial position

At 30 June 2023, the Group had cash reserves of $15,571,534 (2022: $29,110,023) and net current assets of $23,467,617 (2022: 34,861,113).

The ongoing operations of the Group are dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage. The Group expects to be able to finance these activities via the issuance of additional equity in the Company or via out licensing a program in the Group's development pipeline. The financial report has been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of its liabilities in the normal course of business. However, there is a material uncertainty associated with the ability to execute these transactions at the time and amount needed to meet the Group's requirements. Refer to Note 1 for further details.

6. Review of Activities

Corporate

During the year the Group was focused on drug discovery and development leveraging the Company's two complementary platform technologies (drug delivery and precision drug design). Core focus during the year was advancing the Company's VP-001 program through an Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) and commencing the first in-human clinical trial in Retinitis Pigmentosa type 11. In addition, further progress was made in the PYC-001 program with this candidate expected to enter human studies in 2024. The company also expanded its discovery pipeline adding an additional Central Nervous System (CNS) drug program targeting Phelan-McDermid Syndrome.

The Company successfully completed a $30 million share placement to new and existing sophisticated investors. Tranche 1 of this placement was completed in May 2023 with $11.6 million received net of costs. Tranche 2 was completed subsequent to the year ending 30 June 2023 with $17.4 million received in July 2023. The funds raised will be used to progress the VP-001 program through the current Phase 1 clinical trial, progress the PYC-001 program to an IND lodgement, further developing programs currently in the discovery stage and to provide general working capital.

The Company increased its shareholding in Vision Pharma Pty Ltd, the entity that owns VP-001, during the period taking its ownership to 95.2% (previously 93.5%) at 30 June 2023. Vision Pharma undertook a $10 million recapitalisation with the Company taking its $9 million pro rata entitlement and the $1 million shortfall created by Lions Eye Institute declining to participate in the fundraising round.

Operational

Operational highlights during the year and up to the date of this report include:

- PYC became a clinical-stage company when it progressed the first disease-modifying investigational drug candidate for Retinitis Pigmentosa type 11 (RP11) into human trials. This drug candidate was subsequently conferred Fast Track status by the US Food and Drug Administration in recognition of its potential impact for the RP11 patient population;
- The Company selected a lead candidate known as PYC-001 in its second drug development program for the treatment of Autosomal Dominant Optic Atrophy. PYC-001 is expected to progress into human trials in mid-2024.;
- PYC demonstrated the breadth of its platform technology when it added a third drug development program in the Central Nervous System. PYC-002 is an investigational drug program for the treatment of a severe neurodevelopmental disorder known as Phelan- McDermid Syndrome. PYC expects to have three programs in clinical development before the end of calendar year 2024;
- The Company continues to leverage its platform technology and intends to expand its pipeline further in the next 12 months.

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

8. Dividends

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

9. Matters subsequent to the end of the financial year

On 5 July 2023, Shareholder approval was received for Directors to participate in the Tranche 2 placement and ratify the 229,090,904 shares issued under Tranche 1 placement which occurred on 19 May 2023. The Tranche 2 placement of 316,363,641 shares settled on 14 July 2023. The shares were issued at $0.055, the same price as the Tranche 1 placement, with $17,400,000 received from shareholders. Post issuance, 3,732,867,135 shares were on issue.

On 1 July 2023, the Company entered into a lease for a corporate office. The lease has an initial lease period of 39 months with an option to extend for an additional 24 months. A lease asset and liability of $271,000 was recognised on 1 July 2023 in relation to this lease.

On 10 August 2023, a $10 million recapitalisation of Vision Pharma Pty Ltd (Vision Pharma) was conducted for the VP-001 program to continue progression through clinical trials. PYC subscribed for the full $10.0 million raised by Vision Pharma consisting of PYC's $9.6 million pro rata entitlement and the $0.4m shortfall created by the Lions Eye Institute declining to participate in the fundraising round. Consequently, PYC's shareholding in Vision Pharma has increased to 96.2% with the Lions Eye Institute remaining a 3.8% shareholder in the entity.

No other matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

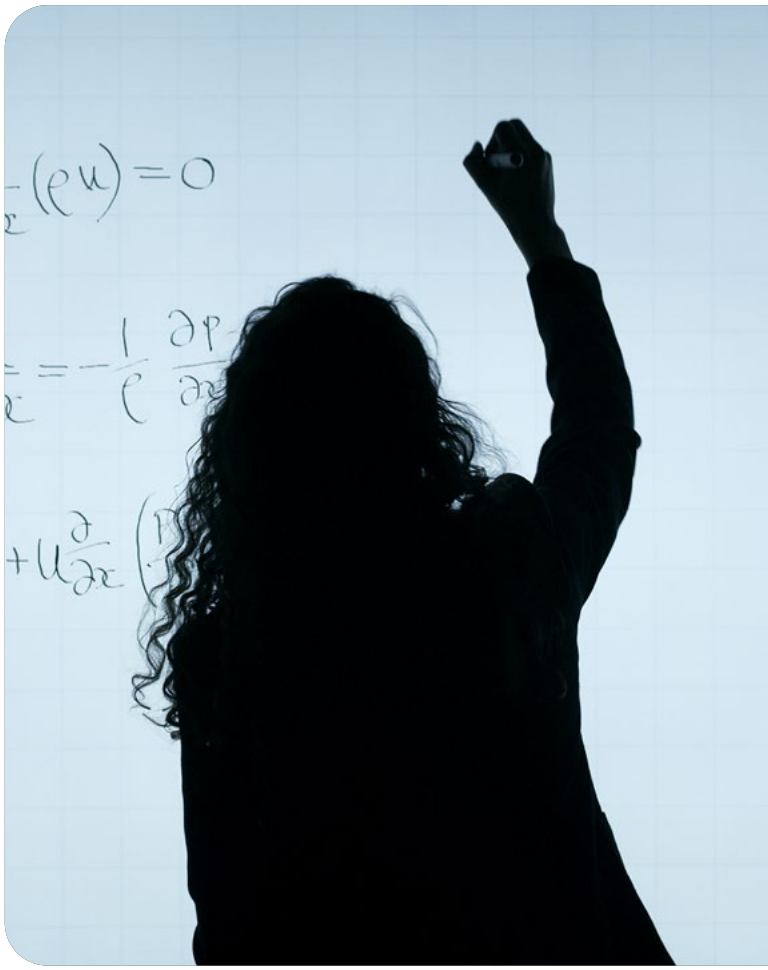
10. Indemnities and insurance premiums for officers

During the financial year, the Group paid a premium to insure the directors and secretaries of the company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

11. Non-audit services

There were no non-audit services provided during the financial year by the auditor.



12. Shares under option

Unissued ordinary shares of PYC Therapeutics Limited and its controlled entities under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
23/03/2021	23/03/2024	$0.210	1,000,000
23/03/2021	29/03/2031	$0.170	2,500,000
16/12/2020	30/11/2023	$0.150	12,000,000
23/03/2021	28/02/2031	$0.170	2,000,000
23/03/2021	23/03/2031	$0.170	2,500,000
23/11/2021	23/11/2024	$0.170	500,000
20/04/2022	20/04/2026	$0.170	2,400,000
30/09/2022	30/09/2026	$0.170	5,000,000
30/09/2022	30/09/2026	$0.170	1,000,000
30/09/2022	30/09/2026	$0.170	1,300,000
30/09/2022	30/09/2026	$0.170	1,100,000
30/09/2022	30/09/2026	$0.170	1,300,000
30/09/2022	30/09/2026	$0.170	1,200,000
30/09/2022	30/09/2026	$0.170	1,200,000
30/09/2022	30/09/2026	$0.170	1,000,000
30/09/2022	30/09/2026	$0.170	1,000,000
30/09/2022	30/09/2026	$0.170	1,800,000
30/09/2022	30/09/2026	$0.170	1,000,000
10/02/2023	14/02/2027	$0.170	1,500,000
			41,300,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

13. Shares issued on the exercise of options

The following ordinary shares of PYC Therapeutics Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted:

Date options granted	Number of options exercised	Exercise price	Number of shares issued	Consideration
10/03/2020	15,000,000	$0.060	2,837,838	–
17/02/2020	6,666,666	$0.063	990,991	–
03/11/2020	13,333,333	$0.063	2,657,658	$50,000

Options that were exercised during the period had the option to be settled by cash settlement at the prescribed exercise price or a cashless conversion to new shares calculated by the in the money valuation of the options at the time of exercise. A total of 793,651 options were settled via the cash method at an exercise price of $0.063 totalling $50,000 received by the Company. The residual 34,206,348 options were elected to be settled via the cashless method. A 5 day VWAP of $0.074 used to determine the in the money value of the options at the time of exercise on 28 February 2023 totalling $421,270. Of the 34,206,348 options exercised via the cashless method, 5,692,8356 shares were issued.

14. Environmental regulation

The Group complies with all laboratory practice regulations, including, Materials and Materials Handling Practice, Animal Handling Practice, and Office of the Gene Technology Regulator (OGTR) Approval.

15. Corporate Governance

The Group's corporate governance statement can be found on the Group's website https://pyctx.com//investors-and-media/#filings

16. Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- **16.1** Principles used to determine the nature and amount of remuneration
- **16.2** Service agreements
- **16.3** Details of remuneration
- **16.4** Share-based compensation

16.1 Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- achievement of strategic objectives
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives
- establishment of revenue streams and growth of the Group's share price

Additionally, the reward framework should seek to enhance the Group's executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and executive Director remuneration is separate.

Non-Executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 27 November 2014, where the shareholders approved a maximum annual aggregate remuneration of $300,000, excluding share-based remuneration. Options issued to the Non-Executive Directors have been approved by the Board.

The Group makes contributions at the statutory minimum rate to superannuation funds nominated by Directors, in addition to the base fee.

Directors' fees cover all main board activities and committee memberships.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a

level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include progressing the Company's lead drug programs (VP-001 and PYC-001) and creation of a pipeline of discovery assets for retinal disease and diseases of the central nervous system.

Short Term Incentives are usually in the form of cash bonuses calculated based on achievement of Key Performance Indicators (KPI's). No Short Term Incentive cash bonus was paid to executives for the year ended 30 June 2023.

The long-term incentives ('LTI') include long service leave and the Employee Share Option Plan. Long term incentives for senior executives are through the grant of share options vesting over time. The options are granted free of charge and are exercisable at a fixed price. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2023.

Consolidated entity performance and link to remuneration

Performance linked compensation includes short term incentives (STI), in the form of cash bonuses paid upon the achievement of predetermined Key Performance Indicators (KPI), and long-term incentives (LTI) provided as options under the Employee Share Option Plan. In the case of Executive Directors, the number and conditions of the options are approved by the shareholders in general meeting.

Consequences of performance on shareholders' wealth

The Board has regard to a broad range of factors in considering the Group's performance and how best to generate shareholder value. These include financial factors, securing new drug discovery partnerships and others that relate to meeting the objectives of existing discovery alliances, scientific progress of the Group's in-house projects, grants awarded, staff development etc. The Board has some, but not absolute regard to the Group's result and cash consumption during the year. It does not utilise earnings per share as a

performance measure nor does it contemplate consideration of any dividends in the short to medium term, given that efforts are being expended to build the business and generate self-sustaining revenue streams. The Group is of the view that any adverse movement in the Group's share price should not be taken into account in assessing the performance of employees, unless such a measure is agreed with the executive as a KPI.

Use of remuneration consultants

During the financial year ended 30 June 2023, the Group, through the Board, did not engage the services of remuneration consultants.

16.2 Service agreements

Name:
Dr Rohan Hockings

Position:
Executive Director & Chief Executive Officer

Term Expiring:
No fixed term

Salary:
$395,000

STI:
Payment of up to $198,000. The performance criteria, assessment and timing are determined at the discretion of the Board.

Options:
Nil

Termination Notice:
If terminated by the Group, twelve months' notice and two months' notice by the individual.

16.3 Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post employment benefits	Leave entitlement	Share based payments	
2023	Cash Sallary & Fees $	Cash Bonus $	Non-monetary $	Super-annuation $	Annual & Long Service Leave $	Value of options $	Total $
Non-Executive Directors:							
Mr A Tribe	63,348	–	–	6,652	–	–	70,000
Mr J Haddock[1]	66,833	–	–	–	–	76,041	142,874
Dr M Rosenblatt[1]	66,833	–	–	–	–	76,041	142,874
Executive Directors:							
Dr R Hockings[2]	395,000	–	–	–	42,500	–	437,500
Total	592,014	–	–	6,652	42,500	152,082	793,248

1. Mr J Haddock and Dr M Rosenblatt are remunerated in USD. Their cash salary and fees for FY23 have been converted to AUD using an average rate of 0.6734.

2. Dr R Hockings' cash salary and fees are paid under a contractor arrangement.

The Group pays an insurance premium for Group reimbursement and Directors' and Officers' liability insurance as a combined amount. The portion of the premium which relates to Directors and Officers has not been included as part of remuneration.

	Short-term benefits			Post employment benefits	Leave entitlement	Share based payments	
2022	Cash Sallary & Fees $	Cash Bonus $	Non-monetary $	Super-annuation $	Annual & Long Service Leave $	Value of options $	Total $
Non-Executive Directors:							
Mr A Tribe	63,636	–	–	6,364	–	–	70,000
Mr J Haddock[1]	61,998	–	–	–	–	192,791	254,789
Dr M Rosenblatt[1]	61,998	–	–	–	–	192,791	254,789
Executive Directors:							
Dr R Hockings[3]	395,000	–	–	–	22,788	–	417,788
Mr S Nasseri[2]	367,218	27,555	–	–	(14,364)	(692,364)	(311,955)
Total	949,850	27,555	–	6,364	8,424	(306,782)	685,411

1. Mr J Haddock and Dr M Rosenblatt are remunerated in USD. Their cash salary and fees for FY22 have been converted to AUD using an average rate of 0.7258.

2. Mr S Nasseri resigned 18 November 2021. All unvested options held as at termination date were forfeited and a reversal of the associated expense was recognised during the period.

3. Dr R Hockings' cash salary and fees are paid under a contractor arrangement.

The Group pays an insurance premium for Group reimbursement and Directors' and Officers' liability insurance as a combined amount. The portion of the premium which relates to Directors and Officers has not been included as part of remuneration.

16.4 Share-based compensation

Options

All options refer to options over ordinary share of PYC Therapeutics Limited which are exercisable on a one-for-one basis.

During the year ended 30 June 2023, no options over ordinary shares in the Group were granted as compensation to key management personnel (30 June 2022: nil).

Exercise of options granted as compensation

No options were exercised by key management personnel during the period ending 30 June 2023 (30 June 2022: nil).

Options granted carry no dividend or voting rights. There are no other service conditions associated with these options other than the service period.

Analysis of options and rights over equity instruments granted as compensation

The methodology used to arrive at a fair value of the options issued during the current financial year is set out in Note 32.

Key Management Personnel

	Balance at 1 July 2022	Granted as compensation	Exercised	Other changes	Balance at 30 June 2023	Vested during the year	Vested & Exercisable 30 June 2023
Directors:							
Mr A Tribe	–	–	–	–	–	–	–
Dr R Hockings	–	–	–	–	–	–	–
Dr M Rosenblatt	2,500,000	–	–	–	2,500,000	833,332	1,666,666
Mr J Haddock	2,500,000	–	–	–	2,500,000	833,332	1,666,666
Former Directors:							
Mr S Nasseri[1]	12,000,000	–	–	–	12,000,000	–	12,000,000

1. S Nasseri ceased employment on 18 November 2021. The residual 12,000,000 options vested during Mr Nasseri's period of employment and remain unexercised.

Shareholdings

The movement during the reporting period in the number of ordinary shares in the Group held, directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

Key Management Personnel

	Balance 1 July 2022	Purchases	Other	Granted as Compensation	Sales	Balance 30 June 2023
Directors:						
Mr A Tribe[1]	971,420,136	3,765,769	–	–	–	975,185,905
Dr R Hockings[2]	10,000,000	–	–	–	–	10,000,000
Dr M Rosenblatt	–	–	–	–	–	–
Mr J Haddock	–	–	–	–	–	–

1. Subsequent to 30 June 2023, Mr Tribe received shareholder approval to participate in a placement for 254,545,459 shares at price of $0.055 which were issued on 14 July 2023.

2. Subsequent to 30 June 2023, Dr Hockings received shareholder approval to participate in a placement for 18,181,818 shares at price of $0.055 which were issued on 14 July 2023.

Key management personnel transactions

Other than the above, there were no amounts paid or payable to key management personnel during the reporting period or at reporting date.

This concludes the remuneration report, which has been audited.

17. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

18. 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.

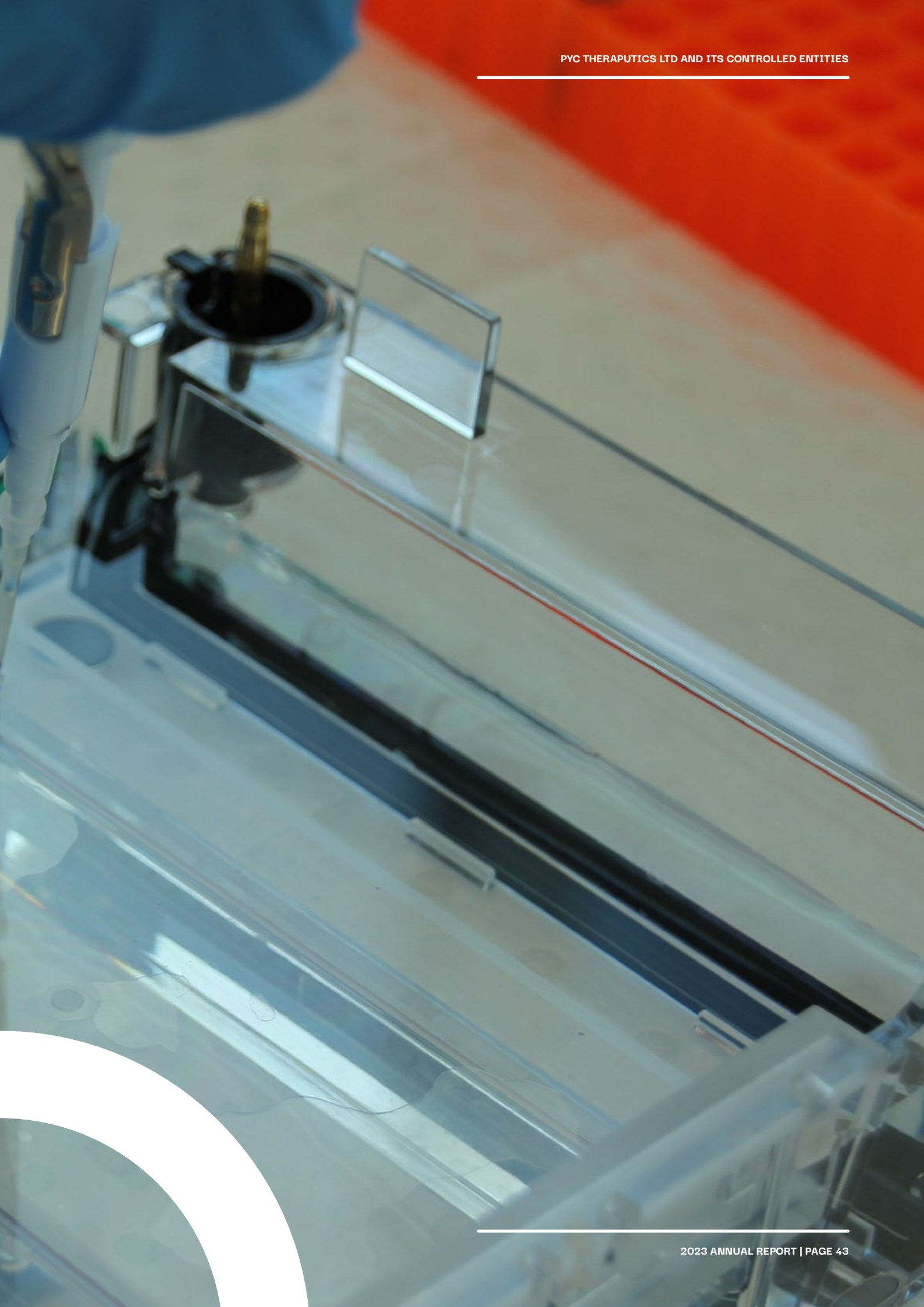
This report is made in accordance with a resolution of Directors. On behalf of the Directors

Rohan Hockings

Executive Director & Chief Executive Officer
31 August 2023
Perth

Financial Statements

PYC Therapeutics



Auditor's Independence Declaration

As lead auditor for the audit of PYC Therapeutics Limited for the year ended 30 June 2023, 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Adam Thompson
Partner
PricewaterhouseCoopers

Perth
31 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

General information

The financial statements cover PYC Therapeutics Limited and its controlled entities as a Group consisting of PYC Therapeutics Limited and its controlled entities and the entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is PYC Therapeutics Limited and its controlled entities' functional and presentation currency.

PYC Therapeutics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Suite 8, 7 The Esplanade Mt Pleasant WA 6153	Harry Perkins Institute 6 Verdun Street Nedlands WA 6009

The principal activity of the Company during the financial year was drug development and progressing the Company's drug pipeline through preclinical and clinical development.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2023. The Directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue			
Other income	5	15,907,972	16,067,246
Total revenue		15,907,972	16,067,246
Expenses			
Research and development expenditure	6	(35,146,007)	(24,030,740)
General and administrative expenses	7	(4,091,157)	(6,297,879)
Finance costs		(27,288)	(32,595)
Total expenses		(39,264,452)	(30,361,214)
Loss before income tax expense		(23,356,480)	(14,293,968)
Income tax expense	8	-	-
Loss after income tax expense for the year		(23,356,480)	(14,293,968)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(23,356,480)	(14,293,968)
Loss for the year is attributable to:			
Non-controlling interest		(567,495)	(430,809)
Owners of PYC Therapeutics Limited and its controlled entities	19	(22,788,985)	(13,863,159)
		(23,356,480)	(14,293,968)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(567,495)	(430,809)
Owners of PYC Therapeutics Limited and its controlled entities		(22,788,985)	(13,863,159)
		(23,356,480)	(14,293,968)
		Cents	Cents
Basic loss per share	31	(0.71)	(0.44)
Diluted loss per share	31	(0.71)	(0.44)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	15,571,534	29,110,023
Trade and other receivables	10	16,252,028	10,070,585
Other assets		49,583	68,373
Total current assets		31,873,145	39,248,981
Non-current assets			
Property, plant and equipment	12	755,478	726,695
Right-of-use assets	11	287,275	902,477
Intangibles	13	4,250,000	4,450,000
Other assets		-	23,595
Total non-current assets		5,292,753	6,102,767
Total assets		37,165,898	45,351,748
Liabilities			
Current liabilities			
Trade and other payables	14	7,462,579	3,120,505
Lease liabilities	15	177,816	259,800
Employee benefits	16	765,133	1,007,563
Total current liabilities		8,405,528	4,387,868
Non-current liabilities			
Lease liabilities	15	137,671	683,966
Employee benefits	16	180,100	77,617
Total non-current liabilities		317,771	761,583
Total liabilities		8,723,299	5,149,451
Net assets		28,442,599	40,202,297
Equity			
Issued capital	17	140,087,345	125,991,333
Reserves	18	5,831,725	8,741,256
Accumulated losses	19	(118,169,437)	(95,380,452)
Equity attributable to the owners of PYC Therapeutics Limited and its controlled entities		27,749,633	39,352,137
Non-controlling interest	20	692,966	850,160
Total equity		28,442,599	40,202,297

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	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 year	-	-	-	-	(13,863,159)	(430,809)	(14,293,968)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(13,863,159)	(430,809)	(14,293,968)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 17)	-	-	-	-	-	-	-
Share-based payments (note 32)	-	612,721	-	-	-	-	612,721
Transactions with NCI	-	-	(400,708)	-	-	400,708	-
Foreign currency translation reserve	-	-	-	(40,717)	-	-	(40,717)
Balance at 30 June 2022	125,991,333	6,237,237	2,599,292	(95,273)	(95,380,452)	850,160	40,202,297

	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 2022	125,991,333	6,237,237	2,599,292	(95,273)	(95,380,452)	850,160	40,202,297
Loss after income tax expense for the year	-	-	-	-	(22,788,985)	(567,495)	(23,356,480)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(22,788,985)	(567,495)	(23,356,480)
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 17)	11,623,752	-	-	-	-	-	11,623,752
Exercise of options	2,472,260	(2,422,260)	-	-	-	-	50,000
Share-based payments (note 32)	-	(70,303)	-	-	-	-	(70,303)
Transactions with NCI	-	-	(410,301)	-	-	410,301	-
Foreign currency translation reserve	-	-	-	(6,667)	-	-	(6,667)
Balance at 30 June 2023	140,087,345	3,744,674	2,188,991	(101,940)	(118,169,437)	692,966	28,442,599

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(34,138,817)	(27,847,097)
R&D tax incentive		9,673,617	5,997,821
Interest received		70,948	29,309
Interest paid leases		(27,434)	(32,313)
Government grants received		-	70,000
Net cash used in operating activities	29	(24,421,686)	(21,782,280)
Cash flows from investing activities			
Payments for property, plant and equipment		(491,116)	(386,912)
Funds transferred from term deposits		-	33,067,094
Return of security deposits		14,000	-
Net cash (used in)/from investing activities		(477,116)	32,680,182
Cash flows from financing activities			
Proceeds from issue of shares	17	12,650,000	-
Payment of transaction costs	17	(976,248)	-
Principal elements of lease payments		(232,788)	(182,362)
Net cash from/(used in) financing activities		11,440,964	(182,362)
Net (decrease)/increase in cash and cash equivalents		(13,457,838)	10,715,540
Cash and cash equivalents at the beginning of the financial year		29,110,023	18,435,199
Effects of exchange rate changes on cash and cash equivalents		(80,651)	(40,716)
Cash and cash equivalents at the end of the financial year	9	15,571,534	29,110,023

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

Going concern

The Group is a development stage biotechnology company and as such does not expect to generate revenue until its development programs have become marketable. The Group has incurred recurring losses since inception, including a loss of $23,356,480 for the year ended 30 June 2023 (30 June 2022: $14,293,968) and at year end the Group had working capital of $23,467,617 (30 June 2022: $34,861,113) including a cash and cash equivalents balance of $15,571,534 (30 June 2022: $29,110,023). The Group also incurred an operating cash outflow of $24,421,686 (2022: $21,782,280 outflow) for the year ended on 30 June 2023. The Group expects to continue incurring losses into the foreseeable future. The financial report has been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of its liabilities in the normal course of business.

The continuing viability of the Group is dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage. The Group expects to be able to finance these activities via the issuance of additional equity in the Company or via out licensing a program in the Group's development pipeline. The Directors intend to investigate both of these options to enable progression of the Group's planned research and development programs, however there is uncertainty associated with the ability to execute these transactions at the time and amount needed to meet the Group's requirements.

An inability to obtain funding, as and when needed, would have a negative impact on the Group's financial condition and the ability to pursue its business strategies. If the Group is unable to obtain the required funding to run its operations and to develop and commercialise its drug candidates, the Group could be forced to delay, reduce or eliminate some or all of its research and development programs, which could adversely affect its business prospects.

Management and the Directors believe the Group will be successful in raising additional capital and accordingly have prepared the financial report on a going concern basis, notwithstanding there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge liabilities in the normal course of business.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 1. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Tax legislation
PYC and its Australian controlled entities are not consolidated for tax purposes.

Each entity is a taxable entity and continues to account for its own current and deferred tax amounts.

Foreign currency translation
The financial statements are presented in Australian dollars, which is PYC Therapeutics Limited and its controlled entity's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 1. Significant accounting policies (continued)

Other income
Other income is recognised when it is received or when the right to receive payment is established. Refer to note 5 for further detail on the recognition of other income.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Intangible assets

The Company's intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Refer to note 13 for details about amortisation methods and periods used by the Group for intangible assets.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

R&D Tax Incentive
The Group is eligible to receive a tax incentive from the Australian Tax Office for eligible research and development expenditure. The Group recognises this incentive as Other Income in the Consolidated Statement of Profit or Loss and other comprehensive income in the period the Group is eligible to receive the incentive and where the incentive can reliably be estimated. Management has used judgement and estimates which it believes is reasonable in determining the value of the incentive to accrue in the reporting period which is yet to be lodged or approved by the Australian Tax Office. Refer to note 5 for details on the values recognised related to this incentive.

Note 3. Financial risk management

Overview
The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group receivables and cash investments.

Trade and other receivables

The Group had no material credit risk with respect to trade and other receivables at 30 June 2023 or 30 June 2022.

Note 3. Financial risk management (continued)

Cash investments

The Group limits its exposure to credit risk by banking only with Australia and New Zealand Banking Group and JP Morgan Chase Bank. Given these bank's credit ratings, management does not expect it to fail to meet its obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group does not presently use financial derivatives as a risk management tool.

Currency risk

The Group is exposed to currency risk on some purchases that are denominated in a currency other than the functional currency of the Group, the Australian dollar (AUD). The Group holds reserves of USD to satisfy short term requirements. The Group does not employ any long term hedging strategies for foreign currency risk management.

Interest rate risk

The Group does not have any borrowings. The Group invests temporarily idle funds for terms of up to three months at variable interest rates.

(i) Interest rate risk profile:

	2023 $	2022 $
At reporting date, the interest rate profile of the Group's interest bearing financial instrument was:		
Variable rate instruments		
- Financial assets	15,571,534	29,110,023

Fair value sensitivity analysis for fixed rate instruments:
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Cash flow sensitivity analysis for variable rate instruments:
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 30 June 2022.

Note 3. Financial risk management (continued)

	2023		2022	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	155,715	(155,715)	291,100	(291,100)

(ii) Fair value

The financial assets and financial liabilities of the Group are all current and therefore fair value is equal to carrying value. Consequently, the Group does not make any adjustments through the statement of profit or loss and other comprehensive income or on the statement of financial position to restate the carrying value of the financial assets and liabilities.

(iii) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group undertakes due diligence prior to entering into any collaboration, co-development or licensing agreement with a counterparty that exposes the Group to credit risk.

No receivables are past due or considered impaired at 30 June 2023 or 30 June 2022.

(iv) Foreign exchange risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the AUD, future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	2023 USD	2023 EUR	2022 USD	2022 EUR
Cash and cash equivalents	3,030,851	-	73,160	-
Trade payables	(2,758,460)	(5,458)	(1,322,868)	(48,529)

The aggregate net foreign exchange gains/losses recognised in profit or loss was $74,041 loss (2022: loss $120,853).

(v) Capital management

The operations of the Group are not presently cash positive and the Group is reliant upon developing revenue and raising further capital. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(vi) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held $8,107,000 in deposits at call (2022: nil). Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

Note 3. Financial risk management (continued)

Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents (note 9) on the basis of expected cash flows. This is carried out at a Group level. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios.

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities:

2023	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying amount liabilities $
Trade payables	4,919,128	-	-	-	4,919,128	4,919,128
Lease liabilities	94,308	94,308	141,162	-	329,778	315,487
Total financial liabilities	5,013,436	94,308	141,162	-	5,248,906	5,234,615

2022	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying amount liabilities $
Trade payables	2,574,330	-	-	-	2,574,330	2,574,330
Lease liabilities	169,020	154,468	262,857	396,331	982,676	943,766
Total financial liabilities	2,743,350	154,468	262,857	396,331	3,557,006	3,518,096

Note 4. 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. There is an office in the US 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.

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

Note 5. Other income

	2023 $	2022 $
R&D tax incentive	15,806,256	15,972,821
Government Grants	-	70,000
Interest income	81,849	24,425
Gain on Disposal of ROU asset	19,867	-
Other income	15,907,972	16,067,246

The Research and Development (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. The R&D Tax Incentive recognised in the year ended 30 June 2023 is attributable to the eligible expenditure incurred in the year ended 30 June 2023 and is expected to be received in late 2023. The R&D Tax Incentive recognised in the year ended 30 June 2022 is attributable to the incentive received in December 2021 ($5,997,821) for the FY21 R&D Tax Incentive and $9,975,000 attributable to the FY22 Incentive which was received in the year ended 30 June 2023.

Note 6. Research and development expenditure

	2023 $	2022 $
Research and development expenses	35,146,007	24,030,740

Accounting policy for research and development

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:

Note 6. Research and development expenditure (continued)

	2023 $	2022 $
Employee benefits expenses	9,738,246	8,497,526

Note 7. General and administrative expenses

	2023 $	2022 $
Employee benefits expenses	1,923,243	3,210,853
Share-based payment expenses	(70,303)	612,721
Depreciation and amortisation	551,218	839,505
Professional services	344,408	500,599
Insurances	264,556	206,125
Travel and accommodation	223,390	130,856
Net foreign exchange loss	74,041	120,853
Audit	91,140	120,145
Other administrative expenses	689,464	556,222
	4,091,157	6,297,879

Refer to note 32 for details of share-based payments.

Note 8. Income tax

	2023 $	2022 $
(i) Income tax benefit		
The prima facie tax on the operating loss is reconciled to the income tax provided in the accounts as follows:		
Accounting profit/(loss)	(23,356,480)	(14,293,968)
Prima facie tax benefit on operating loss before income tax at 25% (2022: 25%)	5,839,120	3,573,492
Difference due to impact of overseas tax rates	(37,123)	(69,524)
Tax effect on permanent differences	(5,772,167)	(1,942,382)
Current period tax losses and temporary differences not brought to account	(29,830)	(1,561,586)
	-	-

Note 8. Income tax (continued)

(ii) Unrecognised deferred tax balances

(a) Deferred tax assets

	2023 $	2022 $
The balance comprises temporary difference attributable to:		
Property, plant & equipment	-	-
Lease liabilities	78,872	235,941
Tax losses	10,934,039	10,122,720
	11,012,911	10,358,661
Other		
Employee benefits	214,313	246,191
Patents & intellectual property	14,316	-
S40-880 expenditure	494,338	512,196
Other	8,250	33,650
	731,217	792,037
Total unrecognised deferred tax assets	11,744,128	11,150,698
Set-off deferred tax liabilities	(249,800)	(239,464)
Net unrecognised deferred tax assets	11,494,328	10,911,234

(b) Deferred tax liabilities

	2023 $	2022 $
The balance comprises temporary differences attributable to:		
Right-of-use assets	166,167	225,619
Other		
Other current assets	83,633	13,845
Total deferred tax liabilities	249,799	239,464
Set-off deferred tax liabilities	(249,799)	(239,464)
Net deferred tax liabilities	-	-

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 8. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash and cash equivalents	15,571,534	29,110,023

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Included within the current assets is a cash amount of $169,859 (30 June 2022: $223,508) which is not considered available for general use. The balances are held within the Murdoch joint operations and may only be used in relation to joint operation expenditure.

Note 10. Trade and other receivables

	2023 $	2022 $
Current assets		
GST Receivable	108,872	65,728
Interest receivable	30,767	-
R&D tax incentive receivable	16,112,389	9,975,000
Other receivable	-	29,857
	16,252,028	10,070,585

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Right-of-use assets

	2023 $	2022 $
Non-current assets		
Property leases - right-of-use	943,908	1,503,599
Less: Accumulated depreciation	(656,633)	(601,122)
	287,275	902,477

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	ROU Assets $
Balance at 30 June 2021	740,768
Additions	401,406
Disposals	-
Depreciation expense	(239,697)
Balance at 30 June 2022	902,477
Additions	-
Disposals	(363,052)
Depreciation expense	(252,150)
Balance at 30 June 2023	287,275

Note 11. Right-of-use assets (continued)

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 12. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Plant and equipment - at cost	3,244,185	2,809,262
Less: Accumulated depreciation	(2,488,707)	(2,082,567)
	755,478	726,695

	Office and research equipment
Balance at 1 July 2021	745,507
Additions	381,438
Disposals	-
Depreciation expense	(400,250)
Balance at 1 July 2022	726,695
Additions	459,048
Disposals	(24,124)
Depreciation expense	(406,141)
Balance at 30 June 2023	755,478

Accounting policy for property, plant and equipment
The Group holds no property. Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 12. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office and research equipment	2-13 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 13. Intangibles

	2023 $	2022 $
Non-current assets		
Intellectual property - at cost	5,000,000	5,000,000
Less: Accumulated amortisation	(750,000)	(550,000)
	4,250,000	4,450,000

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 25 years.

Note 14. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	4,919,128	2,574,330
Accrued expenses	2,353,719	207,655
PAYG withholding	148,837	151,854
GST payable	-	129,600
Payroll tax payables	35,590	39,830
Other payables	5,305	17,236
	7,462,579	3,120,505

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liability	177,816	259,800
Non-current liabilities		
Lease liability	137,671	683,966

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Refer to note 30 for movements in the lease liability during the period and note 3 for contractual cash flow outflows of leases contracted by the Group.

Note 16. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	700,743	802,126
Superannuation	64,390	205,437
	765,133	1,007,563
Non-current liabilities		
Long service leave	180,100	77,617
	180,100	77,617

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 17. Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	3,416,503,494	3,180,926,103	140,087,345	125,991,333

Note 17. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	3,180,926,103		125,991,333
Shares issued		-	$nil	-
Balance	30 June 2022	3,180,926,103		125,991,333
Shares issued (cashless exercise of options)	3 March 2023	5,692,836	note (a)	2,422,260
Shares issued (cash exercise of options)	3 March 2023	793,651	$0.063	50,000
Shares issued	19 May 2023	229,090,904	$0.055	12,600,000
Share issue costs		-		(976,248)
Balance	30 June 2023	3,416,503,494		140,087,345

(a) On 3 March 2023, 19,206,348 options with an exercise price of $0.063 and 15,000,000 options with an exercise price of $0.060 were elected to be settled via the cashless method. A 5 day VWAP of $0.074 used to determine the in the money value of the options at the time of exercise on 28 February 2023 totaling $421,270. Of the 34,206,348 options exercised via the cashless method, 5,692,8356 shares were issued. $2,422,260 was recognised as issued capital in relation to these issued shares which represents the cumulative share-based reserve recognised on these options over their vesting period.

On 5 July 2023, shareholders approved the Tranche 2 placement of the capital raising completed on 3 May 2023. On receiving approval, 316,363,641 shares were issued on 14 July 2023 at $0.055 per share raising a total of $17,400,000.

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.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 17. Issued capital (continued)

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report. refer to note 3 for further details on financial risk management.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 18. Reserves

	2023 $	2022 $
Foreign currency reserve	(101,940)	(95,273)
Share-based payments reserve	3,744,674	6,237,237
Transactions with NCI reserve	2,188,991	2,599,292
	5,831,725	8,741,256

Foreign currency reserve
Foreign currency translation exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payments reserve
The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised and the grant date fair value of shares issued to employees.

Transactions with NCI reserve
This reserve is used to record differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Note 19. Accumulated losses

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(95,380,452)	(81,517,293)
Loss after income tax expense for the year	(22,788,985)	(13,863,159)
Accumulated losses at the end of the financial year	(118,169,437)	(95,380,452)

Note 20. Non-controlling interest

	2023 $	2022 $
Non-controlling interest	692,966	850,160

Note 21. Dividends

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

Note 22. Key management personnel disclosures

Directors

The following persons were Directors of PYC Therapeutics Limited and its controlled entities during the financial year:

Executive Director	
Dr R Hockings	Executive Director & Chief Executive Officer
Non-Executive Directors	
Mr A Tribe	Non-Executive Chairman
Dr M Rosenblatt	Non-Executive Director
Mr J Haddock	Non-Executive Director

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2023 $	2022 $
Short-term employee benefits	592,014	977,405
Post-employment benefits	6,652	6,364
Long-term benefits	42,500	8,424
Share-based payments	152,082	(306,782)
	793,248	685,411

Note 23. Remuneration of auditors

	2023 $	2022 $
Audit of financial statements – PricewaterhouseCoopers	91,140	120,145
	91,140	120,145

Note 24. Related party transactions

Parent entity
The immediate parent and ultimate controlling party of the Group is PYC Therapeutics Limited.

Subsidiaries
Interests in subsidiaries are set out in note 26

Joint operations
Interests in joint operations are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2023	2022
Loss after income tax	(23,363,147)	(14,334,685)
Total comprehensive income	(23,363,147)	(14,334,685)

Statement of financial position

	2023	2022
Total current assets	20,014,040	29,577,578
Total Assets	35,711,448	43,912,923
Total current liabilities	6,951,078	2,267,668
Total liabilities	7,268,849	3,710,626

Note 25. Parent entity information (continued)

Equity	2023	2022
Issued capital	140,087,345	125,991,333
Share-based payment reserve	3,744,674	6,237,237
Accumulated losses	(115,389,420)	(92,026,273)
	28,442,599	40,202,297

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments – Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, except for the following:

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described below:

Name	**Principal place of business / Country of incorporation**	**Ownership interest 2023 %**	**Ownership interest 2022 %**
PYC Therapeutics LLC	USA	100%	100%

Note 26. Interests in subsidiaries (continued)

Accounting policy on consolidation of subsidiaries:
Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy.

Name	Country of incorporation	Principal activities	Parent ownership interest 2023	Non-controlling interest Ownership interest 2023	Parent ownership interest 2022	Non-controlling interest Ownership interest 2022
Vision Pharma Pty Ltd	Australia	Drug development	95.2%	4.8%	93.5%	6.5%

Note 26. Interests in subsidiaries (continued)

On 17 February 2022, a $10 million recapitalisation of Vision Pharma was made in preparation for the VP-001 program to enter clinical trials. PYC subscribed for the full $10 million raised by Vision Pharma consisting of PYC's $9 million pro rata entitlement and $1m shortfall created by the Lions Eye Institute declining to participate in the fundraising round. Consequently, PYC's shareholding in Vision Pharma increased to 93.5% with the Lions Eye Institute remaining a 6.5% shareholder in the entity.

On 29 November 2022, a $10 million recapitalisation of Vision Pharma Pty Ltd (**Vision Pharma**) was made for the VP-001 program to commence clinical trials. PYC subscribed for the full $10 million raised by Vision Pharma consisting of PYC's $9 million pro rata entitlement and $1m shortfall created by the Lions Eye Institute declining to participate in the fundraising round. Consequently, PYC's shareholding in Vision Pharma increased to 95.2% with the Lions Eye Institute remaining a 4.8% shareholder in the entity.

Subsequent to the year ended 30 June 2023, On 10 August 2023, a $10 million recapitalisation of Vision Pharma Pty Ltd (Vision Pharma) was made for the VP-001 program to continue progression through the current clinical trial. PYC subscribed for the full $10.0 million raised by Vision Pharma consisting of PYC's $9.6 million pro rata entitlement and $0.4m shortfall created by the Lions Eye Institute declining to participate in the fundraising round. Consequently, PYC's shareholding in Vision Pharma has increased to 96.2% with the Lions Eye Institute remaining a 3.8% shareholder in the entity.

Accounting policy on interests in non-controlling interests:
Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 26. Interests in subsidiaries (continued)

Summarised financial information for Vision Pharma Pty Ltd, before intragroup eliminations is set out below:

	2023 $	2022 $
Summarised statement of financial position		
Current assets	11,437,331	14,103,250
Non-current assets	4,250,075	4,453,463
Total assets	15,687,406	18,556,713
Current liabilities	1,250,115	5,478,671
Total liabilities	1,250,115	5,478,671
Net assets	14,437,291	13,078,042
Summarised statement of profit or loss and other comprehensive income		
Revenue	8,611,171	10,154,781
Expenses	(17,251,922)	(15,878,001)
Loss before income tax	(8,640,751)	(5,723,220)
Other comprehensive income	-	-
Total comprehensive income	(8,640,751)	(5,723,220)

The Group has the following subsidiary with material non-controlling interests:

	2023 $	2022 $
Proportion of ownership interest and voting rights held by non-controlling interests (4.8%) (2022:6.5%)		
Carrying amount of non-controlling interests acquired	850,160	880,261
Loss allocated to non-controlling interests	(567,495)	(430,809)
Transaction with non-controlling interest	410,301	400,708
Accumulated non-controlling interest	692,966	850,160

Note 27. Interests in joint operations

The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2023	Ownership interest 2022
PYC Therapeutics/Murdoch University collaboration	Academic-industry collaboration/Australia	50%	50%
Vision Pharma Pty Ltd/Murdoch University	Academic-industry collaboration/Australia	50%	50%

The Group has entered into academic-industry collaborations with Murdoch University to support drug discovery and development efforts in the field of neurodegenerative disorders.

Note 28. Events after the reporting period

On 5 July 2023, Shareholder approval was received for Directors to participate in the Tranche 2 placement and ratify the 229,090,904 shares issued under Tranche 1 placement which occurred on 19 May 2023. The Tranche 2 placement of 316,363,641 shares settled on 14 July 2023. The shares were issued at $0.055, the same price as the Tranche 1 placement, with $17,400,000 received from shareholders. Post settlement, 3,732,867,135 shares were on issue.

On 1 July 2023, the Company entered into a lease for a corporate office. The lease has an initial lease period of 39 months with an option to extend for an additional 24 months. A lease asset and liability of $271,000 was recognised on 1 July 2023 in relation to this lease.

On 10 August 2023, a $10 million recapitalisation of Vision Pharma Pty Ltd (**Vision Pharma**) was conducted for the VP-001 program to continue progression through clinical trials. PYC subscribed for the full $10.0 million raised by Vision Pharma consisting of PYC's $9.6 million pro rata entitlement and the $0.4m shortfall created by the Lions Eye Institute declining to participate in the fundraising round. Consequently, PYC's shareholding in Vision Pharma has increased to 96.2% with the Lions Eye Institute remaining a 3.8% shareholder in the entity.

No other matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 29. Reconciliation of loss after income tax to net cash used in operating activities

	2023 $	2022 $
Loss after income tax expense for the year	(23,356,480)	(14,293,968)
Adjustments for:		
Depreciation and amortisation	882,045	839,947
Share-based payments	(70,303)	612,721
Foreign exchange differences	83,578	(159)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(6,162,653)	(9,833,602)
Increase in trade and other payables	4,342,074	165,711
Decrease in other provisions	(139,947)	727,070
Net cash used in operating activities	(24,421,686)	(21,782,280)

Note 30. Non-cash investing and financing activities

	2023 $	2022 $
Lease liabilities at 1 July	943,766	730,354
Non-cash Addition/(Disposal)	(373,971)	401,405
Payments of lease liabilities	(260,222)	(182,362)
FX translation movement	5,914	(5,631)
Lease liabilities at 30 June	315,487	943,766

Note 31. Earnings per share

	2023 $	2022 $
Earnings per share for loss		
Loss after income tax attributable to the owners of PYC Therapeutics Limited	(22,788,985)	(13,863,159)
Non-controlling interest	(567,495)	(430,809)
	(23,356,480)	(14,293,968)
Loss after income tax attributable to the owners of PYC Therapeutics Limited and its controlled entities used in calculating basic and diluted earnings per share	(22,788,985)	(13,863,159)
	Cents	**Cents**
Basic loss per share	(0.71)	(0.44)
Diluted loss per share	(0.71)	(0.44)

Note 31. Earnings per share (continued)

	2023 Number	2022 Number
Weighted average number of ordinary shares	3,210,593,803	3,180,926,103

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of PYC Therapeutics Limited and its controlled entities, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
As the Group incurred a loss for the year ended 30 June 2023, the options on issue have an antidilutive effect, therefore the diluted earnings per share is equal to the basic earnings per share.

Note 32. Share-based payments

(a) ESOP

At the Annual General Meeting held in November 2020, the Company renewed an employee share option programme (ESOP) that entitles key management personnel and senior employees to purchase shares in the Company.

(b) Options issued during the year

18,400,000 options were issued to Executives and senior management during the year ended 30 June 2023 (30 June 2022: 6,400,000).

(c) Fair value and assumptions

All options refer to options over ordinary share of PYC Therapeutics Ltd which are exercisable on a one for one basis.

The fair value of the options is calculated at grant date using a Black–Scholes pricing model and allocated to each reporting period in accordance with the vesting profile of the options.

The options have no performance conditions and the only condition is a service period.

The value recognised is the portion of the fair value of the options allocated to the reporting period.

The factors and assumptions used in determining the fair value on grant date of options issued during the financial year as follows:

Note 32. Share-based payments (continued)

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

	Number of options 2023	Weighted average exercise price 2023	Number of options 2022	Weighted average exercise price 2022
Outstanding at the beginning of the financial year	63,900,000	$0.121	81,000,000	$0.117
Granted	18,400,000	$0.170	6,400,000	$0.170
Forfeited	(6,000,000)	$0.170	(23,500,000)	$0.157
Exercised	(35,000,000)	$0.062	-	$0.000
Outstanding at the end of the financial year	41,300,000	$0.165	63,900,000	$0.121
Exercisable at the end of the financial year	19,433,332	$0.160	51,666,664	$0.092

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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	$0.150	12,000,000	-	-	-	12,000,000
23/03/2021	23/03/2024	$0.210	1,000,000	-	-	-	1,000,000
23/03/2021	28/02/2031	$0.170	6,000,000	-	-	(4,000,000)	2,000,000
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
23/11/2021	23/11/2024	$0.170	1,500,000	-	-	(1,000,000)	500,000
11/02/2022	11/02/2025	$0.170	1,000,000	-	-	(1,000,000)	-
20/04/2022	20/04/2026	$0.170	2,400,000	-	-	-	2,400,000
30/09/2022	30/09/2026	$0.170	-	5,000,000	-	-	5,000,000
30/09/2022	30/09/2026	$0.170	-	1,000,000	-	-	1,000,000
30/09/2022	30/09/2026	$0.170	-	1,300,000	-	-	1,300,000
30/09/2022	30/09/2026	$0.170	-	1,100,000	-	-	1,100,000
30/09/2022	30/09/2026	$0.170	-	1,300,000	-	-	1,300,000
30/09/2022	30/09/2026	$0.170	-	1,200,000	-	-	1,200,000
30/09/2022	30/09/2026	$0.170	-	1,200,000	-	-	1,200,000
30/09/2022	30/09/2026	$0.170	-	1,000,000	-	-	1,000,000
30/09/2022	30/09/2026	$0.170	-	1,000,000	-	-	1,000,000
30/09/2022	30/09/2026	$0.170	-	1,800,000	-	-	1,800,000
30/09/2022	30/09/2026	$0.170	-	1,000,000	-	-	1,000,000
10/02/2023	10/02/2027	$0.170	-	1,500,000	-	-	1,500,000
			63,900,000	18,400,000	(35,000,000)	(6,000,000)	41,300,000

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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	$0.150	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
11/02/2022	11/02/2025	$0.170	-	1,000,000	-	-	1,000,000
20/04/2022	20/04/2026	$0.170	-	2,400,000	-	-	2,400,000
			81,000,000	6,400,000	-	(23,500,000)	63,900,000

Note 32. Share-based payments (continued)

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

Grant date	Expiry date	2023 Number	2022 Number
10/03/2020	28/02/2023	-	15,000,000
17/02/2020	28/02/2023	-	6,666,667
03/11/2020	28/02/2023	-	13,333,333
23/03/2021	28/02/2031	2,000,000	2,000,000
23/03/2021	23/03/2031	1,666,666	833,332
23/03/2021	29/03/2031	1,666,666	833,332
16/12/2020	30/11/2023	12,000,000	12,000,000
23/03/2021	23/03/2024	1,000,000	1,000,000
23/11/2021	23/11/2024	500,000	-
20/04/2022	20/04/2026	600,000	-
		19,433,332	51,666,664

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.09 years (30 June 2022: 3.90 years).

For the options granted during the current financial 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
26/09/2022	26/09/2026	$0.068	$0.170	63%	-	3.50%	$0.014
30/09/2022	30/09/2026	$0.068	$0.170	63%	-	3.50%	$0.014
10/02/2023	14/02/2027	$0.068	$0.170	62%	-	3.50%	$0.013

Expenses arising from share-based payment transactions

	2023 $	2022 $
Equity – settled share-based payments issued:		
In FY 2020	-	118,368
In FY 2021	(181,172)	440,410
In FY 2022	29,857	53,943
In FY 2023	81,012	-
	(70,303)	612,721

Accounting policy for share-based payments
Equity-settled compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 32. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying a Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

In the Directors' opinion:

a) the consolidated financial statements and notes set out on pages 46 to 82 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 30 June 2023 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with the financial Section 295A of the *Corporations Act 2001.*

The declaration is made in accordance with a resolution of the directors:

Rohan Hockings
Executive Director & Chief Executive Officer

31 August 2023
Perth

Independent auditor's report

To the members of PYC Therapeutics Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of PYC Therapeutics Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $23,356,480 and an operating cash outflow of $24,421,686 for the year ended 30 June 2023 and the continuing viability of the Group is dependent on its ability to raise additional capital to finance the continuation of its planned research and development programs through to a commercialisation stage, either by issuing additional equity in the Company or via out licensing a program in the Group's development pipeline. These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality	*Audit scope*
● For the purpose of our audit we used overall Group materiality of $392,600, which represents approximately 1% of the Group's total expenses. ● We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. ● We chose Group total expenses because, in our view, it is the benchmark which appropriately reflects the Group's development-stage and focus to advance its research and development activities. ● We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	● Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	*How our audit addressed the key audit matter*
Research and development tax incentive receivable	
As per Note 10 to the consolidated financial statements, the Group's research and development ("R&D") tax incentive receivable was $16,112,389 as of 30 June 2023, which was recognised as other income for the year ended 30 June 2023. The Group assesses the R&D activities to determine which are eligible under the R&D tax incentive scheme and then records the expected R&D tax incentive amount as a receivable in the consolidated statement of financial position and as other income in the consolidated statement of profit or loss and other comprehensive loss. This was a key audit matter due to the significant judgement applied in determining whether the R&D activities and related expenditures are eligible under the R&D tax incentive scheme and the quantum of the income and receivable.	Our audit procedures, amongst others included: • with the assistance of PwC R&D incentive experts, evaluating the appropriateness of the methodology used to estimate the amount of the R&D tax incentive receivable; • testing the completeness and accuracy of the underlying expense data used to determine the R&D tax incentive receivable; • agreeing the mathematical accuracy, on a sample basis, of the Group's R&D incentive calculation; and • evaluating, for a selection of eligible expenditures, the appropriateness of the Group's assessment of eligibility.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 32 to 39 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of PYC Therapeutics Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Adam Thompson
Partner

Perth
31 August 2023

The shareholder information set out below was applicable as at 12 October 2023

Distribution of equitable securities

Analysis of number of equitable security holdings by size of holding:

	Number of holders	Number of shares
1 to 1,000	159	26,180
1,001 to 5,000	216	757,726
5,001 to 10,000	338	2,768,638
10,001 to 100,000	1,298	55,688,152
100,001 and over	1,134	3,673,626,439
	3,145	3,732,867,135

Based on the price per security, number of holders with an unmarketable holding: 576, with total 2,191,960, amounting to 0.06% of Issued Capital

Twenty largest security holders

The names of the twenty largest holders of ordinary shares are listed below:

Name	Number of ordinary shares	% of Issued capital
AUSTRALIAN LAND PTY LTD <THE SOUTHDOWN A/C>	496,872,447	13.31
MCCUSKER HOLDINGS PTY LTD	172,100,000	4.61
SIETSMA HOLDINGS PTY LTD <THE SIETSMA SUPER FUND A/C>	168,000,000	4.50
RUNCTON PTY LTD <THE GOODWOOD A/C>	153,517,575	4.11
PAGHAM PTY LTD <THE AINTREE A/C>	153,517,575	4.11
TREXON PTY LTD <BLACKPOOL TRUST A/C>	153,517,575	4.11
STOCKBRIDGE CORPORATION PTY LTD <THE ASCOT A/C>	153,517,574	4.11
AUSTRALIAN LAND PTY LTD <THE TRIBE SUPER FUND A/C>	90,509,091	2.42
CITICORP NOMINESS PTY LIMITED	82,751,607	2.22
DR BERNARD EDWARD HOCKINGS & MRS DIANNE CHRISTINE HOCKINGS <BHOCKINGS PRIVATE S/F 2 A/C>	66,542,436	1.78
MR BERNARD EDWARD FREDERICK HOCKINGS	63,826,293	1.71
DATAMATCH PTY LTD <PARAGON FAMILY A/C>	60,000,000	1.61
MASALI PTY LTD	50,000,000	1.34
MR JOHN BAIRD	44,800,000	1.20
MR ANTHONY PETER BARTON & MRS CORINNE HEATHER BARTON <A P BARTON PERSON S/F A/C>	44,500,000	1.19
BARTON & BARTON PTY LTD	42,300,000	1.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	42,002,760	1.13
MCCUSKER FOUNDATION LTD <THE MCCUSKER CHARITABLE A/C>	42,000,000	1.13
CUSTOM BINDERS PTY LTD <CUSTOM BINDERS STAFF S/F A/C>	35,000,000	0.94
DR BERNARD EDWARD FREDERICK HOCKINGS	33,333,334	0.89
EMATT SECURITIES PTY LTD <NATIONAL EQUITIES SF NO3 A/C>	29,182,437	0.78
L & E FISHER NOMINEES PTY LTD	25,000,000	0.67
MR ADAM BONADDIO & MR ADRIAN BONADDIO <ARGYLE RANGES A/C>	25,000,000	0.67
MRS ELIZABETH ANNE SIETSMA	25,000,000	0.67
	2,252,790,704	60.34

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Australian Land Pty Ltd	1,229,813,974	32.95
David Sietsma	288,275,006	7.72
Malcom McCusker	180,250,000	5.67

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

Unquoted options

Unquoted options do not entitle the holder to any voting rights

On Market Buy Back

There is no on-market buy-back scheme in operation for the company's quoted shares or quoted options

Unquoted Option Holder Information

The information on unquoted securities set out below was applicable as at 12 October 2023

Distribution of unquoted option holder numbers

Category (size of holding)	No. of Option Holders	No. of Options
100,001 and over	18	40,100,000

Holders of more than 20% of unquoted options

The name of holders, holding more than 20% of the unquoted options on issue in the Company's share register as at 12 October 2023 were:

	No. of unquoted options	% of unquoted options
Mr S Nasseri	12,000,000	30

PYC Therapeutics

www.pyctx.com