percheron THERAPEUTICS

annual report FY2025

percheron
THERAPEUTICS

Percheron Therapeutics Limited (ASX: PER)

Appendix 4E

1. Company details

Name of entity:	Percheron Therapeutics Limited
ABN:	41 095 060 745
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

The results of Percheron Therapeutics Limited for the Year Ended 30 June 2025 are as follows:

				$
Loss from ordinary activities after tax attributable to the owners of Percheron Therapeutics Limited	up	25%	to	(14,921,913)
Loss for the year attributable to the owners of Percheron Therapeutics Limited	up	25%	to	(14,921,913)

Explanation of Results

The Company reported a loss for the full-year ended 30 June 2025 of $14,921,913 (30 June 2024: $11,919,223). The loss is after fully expensing all research and development costs (including those related to the manufacture of clinical development supplies) deployed in the clinical development of ATL1102 for Duchenne Muscular Dystrophy to Phase IIB trial. Additionally, the loss includes non-cash expenses relating to the issue of bonus options and other share-based payments of $1,555,898 (30 June 2024: $198,398).

For further details relating to the current period's results, refer to the Annual Report attached to this document.

Comments

The loss for the Company after providing for income tax amounted to $14,921,913 (30 June 2024: $11,919,223).

3. Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

4. Net Tangible Assets Per Share

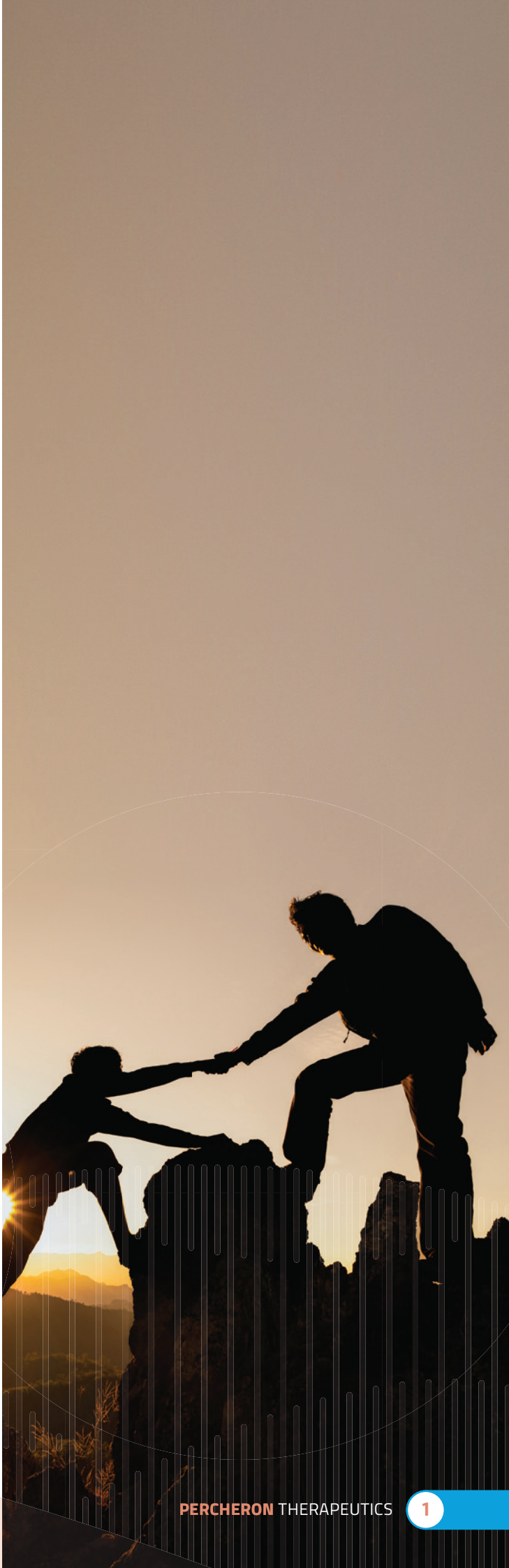
	Reporting period $	Previous period $
Net tangible assets per ordinary security	(0.92)	(1.03)

Net tangible assets are defined as net assets of the Company which include both Right-of-Use assets and corresponding lease liabilities as per the introduction from 01 July 2019, of AASB16: "Leases".

5. Status of Audit of Accounts

The Appendix 4E is based on accounts which have been audited. The audit report is included within the annual report which accompanies this Appendix 4E.

Contents:



Letter from the Chair

Dear Shareholders,

The past twelve months have been transformative for Percheron Therapeutics, marking both the conclusion of one chapter and the exciting beginning of another. This Annual Report not only reflects on our recent challenges but also highlights our strategic pivots and the promising future we envision.

In December 2024, we faced a significant setback with the negative read-out from the phase IIb study of avicursen (ATL1102) in Duchenne muscular dystrophy. Despite the drug's safety and pharmacological activity, it did not achieve the desired efficacy. Recognising the need to safeguard our financial stability, we swiftly prioritised conserving cash reserves and made the difficult decision to terminate the study. This included implementing a rigorous cost reduction program and downsizing our team. I want to express my heartfelt gratitude to our talented and dedicated colleagues who have transitioned to new roles. Their contributions have been invaluable, and we wish them continued success.

While we are in the early stages, our recent in-licensing of HMBD-002 exemplifies the innovative and strategic direction we are taking to build a stronger, more diversified Percheron. We are shifting our focus from rare diseases to include oncology, aligning with global trends and investment opportunities. Our new business model emphasises the strategic development and commercialisation of promising drug candidates, rather than the initial discovery phase.

Looking ahead, we aspire to build a diversified portfolio of drug candidates to mitigate risks and maximise shareholder value. The avicursen story has underscored the importance of not relying on a single program. We are committed to adding more promising opportunities to our portfolio and building critical mass as a drug development business.

We are immensely grateful for the support of our shareholders during this challenging period. Your confidence in our vision has been a source of strength. We are determined to rebuild the value of your investments in Percheron and look forward to a promising future as a revitalised and reinvigorated drug development company.

In closing, I would like to recognise my fellow non-executive Director, Dr Gil Price, for his steadfast support, and our CEO, Dr James Garner, and his management team for their tireless efforts. Together, we are poised to lead Percheron into a new era of growth and success.

Dr Charmaine Gittleson

Chair of the Board

CEO Report

Dear Shareholders,

In June 2025, we in-licensed a new asset, HMBD-002, into Percheron's pipeline. I'd like to take the opportunity to summarise some of the reasons why we are so excited about the transaction, and what it means for the future of the company.

To begin with, HMBD-002 is a different kind of technology from our previous endeavours. It is a monoclonal antibody, which is a class of drugs that has revolutionised the treatment of many diseases over the last two or three decades. In general, monoclonal antibodies give us the ability to target biological processes in the human body with a very high degree of precision, making drugs safer and more effective. In oncology, many of the most successful and impactful new medicines of the twenty-first century have been monoclonal antibodies, including drugs such as Herceptin® (trastuzumab), Avastin® (bevacizumab), and Keytruda® (pembrolizumab).

Second, HMBD-002 targets VISTA (v-domain immunoglobulin suppressor of T-cell activation), a cell-surface receptor which is involved in the immune system's response to cancer. Ordinarily, our immune system protects us from cancerous cells in much the same way that it protects us from infection. For tumours to become established, resulting in a clinical presentation of 'cancer', they must usually evade the routine surveillance of a healthy immune system. Part of the way in which tumours do this is by activating and expressing immunosuppressive proteins, such as CTLA4, PD-1, LAG3, TIGIT, and VISTA. Inhibiting these targets should help to reactivate the immune system around the tumour. Several such targets are well proven, including CTLA4 and PD-1, while others, such as LAG3, TIGIT, and VISTA, remain experimental.

These considerations alone – a monoclonal antibody targeting VISTA – establish HMBD-002 as an exceptionally exciting drug candidate for the potential treatment of cancer. It is, in fact, arguably the most advanced such drug in the global pipeline, and there is a real opportunity for Percheron to become a leading global player in this field.

But in selecting HMBD-002 from the many dozens of opportunities that we have reviewed over recent months, we were mindful not just of the scientific interest that each candidate represented, but also what it might mean for the company as a business and, by extension, what it might mean for our shareholders. Our view was that HMBD-002 was unambiguously the most compelling opportunity available on which to rebuild the company.

Key to this judgement was the fact that HMBD-002 has already completed a phase I clinical trial in patients with advanced cancer. Like all such studies, this was primarily a safety study, conducted in late-stage patients with a variety of cancer types, but we were encouraged to see a number of patients remain on drug for longer than we might ordinarily expect. Importantly, the study demonstrated that HMBD-002 is safe and well-tolerated, especially by the standards of cancer medicines. The trial even provided us some very high-quality combination data with Keytruda® (pembrolizumab), one of the best-selling cancer drugs in history. And to complete the picture, the phase I study was conducted at some of the leading cancer hospitals in the United States, including Stanford University Medical Center and MD Anderson Cancer Center, and was performed under the oversight of the US FDA.

Taken in aggregate, these factors substantially de-risk the further development of HMBD-002, and they greatly accelerate its path to market.

Our next step will be to deploy one or more phase II studies to seek convincing evidence of efficacy in one or more types of cancer. Before we do so, we will need to tech transfer the asset into our ownership, complete some manufacturing work, and consult with clinicians and advisors. As a result, we are working towards commencing recruitment for a new clinical trial in CY2026.

Where might such a trial take us? In oncology, drugs are often approved after a persuasive phase II trial, in a process that FDA refers to as 'accelerated approval', so it is certainly conceivable that a successful phase II study may set us on a path to registration. In parallel, positive phase II data is likely to make HMBD-002 a very attractive prospect for potential licensees, and we will almost certainly seek to partner with a larger company to commercialise the drug.

There is much work to do over coming months to turn these aspirations into reality, but all of us on the Percheron team are excited to take up the new challenge, and we look forward to providing regular updates to shareholders as we move forward. Our passion has always been to deliver first-class drug development in a way that makes a meaningful impact in the lives of patients and, by doing so, returns substantial value to our shareholders. We are firmly of the view that HMBD-002 provides an ideal vehicle through which to pursue those goals.

We continue to scout for other opportunities. The Board's objective for the company, in the medium term, is to insulate shareholders from the binary risk associated with development of a single asset. We hope to find one or more programs which are complementary to HMBD-002, and which can sit alongside it in our pipeline. For the near term though, we have plenty to keep us busy, and a rich well of opportunity from which to provide value-driving inflection points for investors.

That has been a vital consideration for us, because we recognise and deeply appreciate the patience and support that shareholders have extended us over the past six or eight months. We are working hard to restore and increase the value of your investments in the company.

Finally, I should note that, in the final analysis, the ultimate strength of a biotech company resides less in its pipeline and very much in its people. Percheron is fortunate to possess one of the strongest teams I have had the good fortune to work with in my career, and the calibre of its team is a large part of the reason why we have been entrusted with this promising asset, and why the company has been able to endure the vicissitudes of recent months. It seems, more than ever, appropriate here to pay tribute to the individuals whose steadfastness has given the company an opportunity to rebuild and to thrive.

Dr James Garner
CEO & Managing Director

Operations Report

Overview of Company's Activities

Percheron Therapeutics Limited ("the Company" or "Percheron") remained a clinical-stage drug development business during the period, albeit with some changes to the composition of its pipeline, as outlined below.

Avicursen (ATL1102)

For some time, the Company's lead asset has been avicursen (ATL1102), an antisense oligonucleotide inhibitor of CD49d, a cell surface receptor on white blood cells. Inhibition of this target has demonstrated immunomodulatory activity in a number of inflammatory disease models, including asthma and multiple sclerosis.

Background to Avicursen

Avicursen was licensed from Ionis Pharmaceuticals, Inc (NASDAQ: IONS), a company based in Carlsbad, CA, and a pioneer in the field of antisense oligonucleotide technology. The companies were parties to a Collaboration and License Agreement, which was entered into in 2001, and which formed the basis of a research partnership that led to the discovery and development of Percheron's pipeline assets, ATL1102 and ATL1103.

The Company previously conducted a phase II clinical trial of avicursen in multiple sclerosis, which showed positive signals of activity, but which was limited by concerns over toxicity, particularly in respect of thrombocytopaenia (decreasing platelet counts).

In 2020, the Company reported the results of an exploratory single-arm study of avicursen in Duchenne muscular dystrophy (DMD), conducted at the Royal Children's Hospital in Melbourne, Australia. The drug appeared safe and well-tolerated in a paediatric population at a dose of 25mg and showed potential benefit in comparison to historical controls across a range of efficacy and pharmacodynamic endpoints.

On the basis of these positive signals, in June 2023, Percheron commenced enrolment to an international randomised, double-blind, placebo-controlled trial of avicursen in DMD (NCT05938023). This study was designed to recruit a substantially similar population to the earlier phase IIa study, specifically non-ambulant DMD patients between the ages of 10 and 17. Study participants were equally randomised to three arms, comprising two doses of ATL1102 and a saline placebo. The primary endpoint of the study was the Performance in the Upper Limb (PUL2.0) module, assessed six months after initiating treatment. After six months, patients allocated to the placebo group were equally re-randomised to either of the active treatment arms, providing a 'delayed start' study design and ensuring that all patients had the opportunity to receive the study drug. After completing twelve months of participation in the study, all patients undergo a four-month off-treatment follow-up period. The phase IIb study completed recruitment in May 2024, having enrolled 48 patients at sixteen sites across five countries (UK, Australia, Turkey, Serbia, and Bulgaria). Three Australian sites were among those participating, providing continuity with the earlier phase IIa study, and allowing optimal access to the Australian Federal Government's R&D Tax Incentive.

Events During the Period

In July 2024, the Company entered into a revised agreement with Ionis, Inc (NASDAQ: IONS). With the previous collaborative research program effectively complete, the parties elected to retire the original agreement and entered into a revised 'Royalty Agreement.' Under the revised agreement, Percheron remains obligated to use commercially reasonable efforts to bring products to market, retains access to relevant Ionis know-how, and is committed to pay royalties on proceeds of commercialisation.

In September 2024, the Company reported final data from a nine-month GLP chronic toxicology study of avicursen in non-human primates. This data had previously been indicated by the US FDA as a requirement for dosing in humans beyond six months' duration. The results of the study were broadly consistent with an earlier six-month study. No new or unexpected toxicities were observed, and no animals died on study. Expected low-grade findings were fully reversible during the recovery period.

In December 2024, the Company announced initial topline data from the phase IIb study, representing the first six months on study for all patients. The trial did not meet its primary endpoint, which was Performance of the Upper Limb 2.0 (PUL2.0) score at week 25 compared to placebo. The least squares mean change in PUL2.0 score for patients receiving placebo was -1.4, for patients receiving 25mg of avicursen was -1.8 (p=0.695), and for patients receiving 50mg of avicursen was -1.6 (p=0.919). A p-value above 0.05 means that any numerical difference observed is not statistically significant. There were no statistically significant differences in efficacy on available secondary endpoints, nor was there a clear directional trend toward benefit associated with administration of avicursen.

Given these negative results, the Board determined that it was in the best interests of shareholders and study subjects to immediately terminate the study. In February 2025, as part of a broad-ranging review of the Company's pipeline, the Board further resolved to make no further substantive investment in the development of avicursen, but to retain some optionality for a period of time in order to opportunistically explore interest that may arise from other parties.

Atesidorsen (ATL1103)

The Company's second asset has been atesidorsen (ATL1103), an antisense oligonucleotide inhibitor of human growth hormone receptor, indicated for acromegaly.

Percheron had previously completed a phase II clinical trial of atesidorsen in patients with acromegaly, which had shown the drug to be safe and well-tolerated, and which had provided evidence of potential efficacy.

After a strategic review in February 2025, following the trial read-out of avicursen, the Board resolved to terminate all further development of atesidorsen.

HMBD-002

In June 2025, Percheron entered into an exclusive, worldwide agreement with Hummingbird Bioscience Pte Ltd, a venture-backed company based in Singapore, to license HMBD-002 from Hummingbird into Percheron.

HMBD-002 is a recombinant humanised monoclonal IgG4 antibody to human v-domain immunoglobulin suppressor of T-cell activation (VISTA). VISTA is one of a number of novel immuno-oncology targets under investigation by pharmaceutical companies, with potential applications to a range of solid tumours and haematological malignancies.

HMBD-002 was previously the subject of a phase I clinical trial, conducted in the United States under an Investigational New Drug (IND) application with the US FDA. The trial showed the drug to be generally safe and well-tolerated, both as monotherapy and in combination with pembrolizumab, and established appropriate dosing for subsequent trials. Percheron anticipates receipt of a definitive Clinical Study Report (CSR) for the phase I study in 1Q FY2026, with communication of full results to the market thereafter.

In July 2025, a team of researchers at Stanford University published data regarding the combination of HMBD-002 and radiotherapy in preclinical models of various cancers, including the *MOC2* model of squamous cell carcinoma of the head and neck (SCCHN). In the latter model, the addition of HMBD-002 to radiotherapy extended survival to 35 days, compared to 27.5 days for radiotherapy alone ($p < 0.05$). Radiotherapy is a widely used treatment modality in oncology, and these data suggest a potential use for HMBD-002 to substantially augment its efficacy.

In August 2025, the Company announced publication of preclinical data regarding the use of HMBD-002 in triple-negative breast cancer (TNBC) by a team of researchers at the University of Texas Southwestern Medical Center. In the EO771 mouse model of breast cancer, administration of HMBD-002 almost entirely blocked tumour growth ($p < 0.0001$). TNBC represents approximately 10-15% of newly-diagnosed cases of breast cancer, or about 30,000 patients per annum in the United States, and is notoriously resistant to existing therapies, so the data suggests a promising potential use of HMBD-002 for future investigation.

Percheron expects to spend the early part of FY2026 on regulatory and planning activities, and on detailed discussion with clinician advisors in order to determine the best path forward for HMBD-002. In addition, as part of the contractual arrangements, Hummingbird will oversee the manufacture of a new batch of clinical trial material. Percheron aims to return the drug to the clinic in CY2026.

R&D Tax Incentive

In October 2024 the Company announced that it had received from the Australian Taxation Office an R&D Tax Incentive refund payment of $2.35 million for the year ended 30 June 2024. The amount received was in relation to the expenditure incurred on eligible R&D activities undertaken in Australia and overseas.

Financial Position

As at 30 June 2025, the Company had cash reserves (including Term Deposits) of $10,167,856 (2024: $11,866,659).

Directors' Report

Directors

The Board of Directors of Company present their report at the end of, or during, the year ended 30 June 2025. In order to comply with the provisions of the *Corporations Act 2001*, the Board of Directors report as follows:

Dr Charmaine Gittleson MD, BSci, AICD, *Independent Non-Executive Chair*	
Appointed to the Board	22 March 2021
Experience	Charmaine has extensive international experience as a pharmaceutical physician and enterprise leader in pharmaceutical drug development, governance and risk management gained during her 15-year tenure (2005-2020) with global specialty biotechnology company CSL Limited (ASX: CSL). During her time at CSL, Charmaine had at various times accountability for clinical research, medical safety, medical and patient related ethics for development and on market programs, providing leadership in strategic product development, planning and implementation across multiple therapeutic and rare disease areas. Charmaine held the key leadership roles of: Senior Director, Head Safety and Clinical Development (2006-2010) in Melbourne Australia; Vice President Clinical Strategy (2010-2013) and Senior Vice President Clinical Development (2013-2017) in Pennsylvania United States; and Chief Medical Officer in Melbourne from 2017 until her recent retirement from corporate roles in 2020. Charmaine commenced her role as Chair on 28 July, 2021.
Interest in shares & options	2,399,999 ordinary shares and 3,239,999 options over ordinary shares.
Committees	Chair of Remuneration Committee; Member of other Audit Committee and Nominating and Governance Committee.
Directorships held in other listed entities	Patrys Limited (ASX:PAB) – Resigned on 17 June 2025
Directorships previously held in other listed entities	Nil

Dr Ben Gil Price, *Independent Non-Executive Director*	
Appointed to the Board	4 October 2021
Experience	Gil is an experienced biotech executive and entrepreneur with depth of expertise across clinical asset investment strategy, evaluation, financing and execution. Additional leadership experience includes R&D, Medical, and strategic corporate functions. Between November 2021 and January 2023 he served as Neurobo Pharmaceuticals, President and CEO. Prior to joining Neurobo, Gil was Chief Medical Officer of ProPharma Group, a global industry leader in comprehensive compliance services that span the entire lifecycle of pharmaceuticals, biologics, and devices. Gil was previously responsible for the strategic and tactical management of all business at Drug Safety Solutions. After a successful 20-year history, Drug Safety Solutions was acquired in June 2017 by Linden Capital Partners. From June 2017 to January 2020, Gil served as the Chief Medical Officer for the global ProPharma Group, a Linden subsidiary. Over the years Gil has served on multiple corporate boards, including public, private and not-for-profit. His recent experience, Rexahn Pharmaceuticals, Inc. (NYSE American: RNN) he served on Compensation, Governance, and Business Development. In his previous role with Sarepta Therapeutics NASDAQ: SRPT, he helped to guide the company transition from $80 million market (2008) to its 2019 market cap of $8.4 billion.
Interest in shares & options	5,999,805 shares and 3,000,000 options over ordinary shares.
Committees	Chair of Audit Committee; Member of other Remuneration Committee and Nominating and Governance Committee
Directorships held in other listed entities	Nil
Directorships previously held in other listed entities	Nil

Dr James Garner, *Managing Director, Chief Executive Officer*	
Appointed to the Board	8 May 2023
Experience	James brings broad experience in drug development and commercialisation, acquired through regional and global roles in the biotech and pharmaceutical sector. His previous responsibilities have included leading phase I-IV clinical trials, product registration, reimbursement, and business development. He possesses strong executive leadership and management skills that have seen him achieve outstanding results over a twenty-year career in the drug development industry, including roles with Biogen, Takeda, Quintiles (an international clinical research organisation) and Sanofi in Singapore. Most recently James served as CEO of Kazia Therapeutics Limited (NASDAQ:KZIA), a clinical stage, oncology-focused company where James rebuilt the organisation around a pipeline of novel assets and attracted significant financing via capital markets and non-dilutive opportunities.
Interest in shares & options	52,500,000 shares and 14,690,000 options over ordinary shares.
Committees	Nil
Directorships held in other listed entities	Nil
Directorships previously held in other listed entities	Kazia Therapeutics (NASDAQ: KZIA) – Resigned 1 May 2023.

Key Management Personnel

Ms Deborah Ambrosini, *Company Secretary and Chief Financial Officer*	
Appointed	17 June 2024
Experience	Deborah is a highly experienced CFO and Company Secretary. She is a Fellow of Chartered Accountants Australia and New Zealand with over 20 years' experience in leading financial strategies to facilitate growth plans. Her experience spans the biotechnology, mining, IT communications and financial services sectors. Deborah possesses extensive experience in debt and equity capital raising activities, regulatory compliance, process improvement, investor relations, large contract management and leading all aspects of accounting, budgeting, forecasting and financial analysis. She also has significant experience both nationally and internationally in financial and business planning, compliance and taxation. Deborah has held Director roles in both listed and unlisted entities. Deborah has been a state finalist in the Telstra Business Woman Awards. She was also named as one of the Top 40 pre-eminent business leaders in the highly prestigious WA Business News 40 under 40 awards.

Principal Activities

The principal activity of Percheron Therapeutics Limited during the financial year was the research and development of novel antisense pharmaceuticals.

Dividends

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

Significant Changes in the State of Affairs

On 18 December 2024, the Company announced initial topline data from the phase IIb study of avicursen in Duchenne Muscular Dystrophy, representing the first six months on study for all patients. The trial did not meet its primary endpoint, which was Performance of the Upper Limb 2.0 (PUL2.0) score at week 25 compared to placebo. Given these negative results, the Board determined that it was in the best interests of shareholders and study subjects to immediately terminate the study.

On 2 April 2025 the Company announced that it would not invest any material company funds in the further development of avicursen however, the program would be kept alive but dormant for the remainder of CY25 to allow the Company to opportunistically explore potential interest from investigators or partners. The Company also announced that ATL 1103 would be discontinued.

In June 2025, Percheron entered into an exclusive, worldwide agreement with Hummingbird Bioscience Pte Ltd, a venture-backed company based in Singapore, to license HMBD-002 from Hummingbird into Percheron.

HMBD-002 is a recombinant humanised monoclonal IgG4 antibody to human v-domain immunoglobulin suppressor of T-cell activation (VISTA). VISTA is one of a number of novel immuno-oncology targets under investigation, with potential applications to a range of solid tumours and haematological malignancies.

HMBD-002 was previously the subject of a phase I clinical trial, conducted in the United States under an Investigational New Drug (IND) application with the US FDA. The trial showed the drug to be generally safe and well-tolerated, both as monotherapy and in combination with pembrolizumab, and established appropriate dosing for subsequent trials.

Significant Events After the Reporting Date

On 10 July 2025 the Company paid USD $2.0 million (AUD $3.08 million) to Hummingbird Bioscience in accordance with the worldwide exclusive license agreement signed on 25 June 2025. Under the agreement the Company will pay Hummingbird an upfront amount of USD $3.0 million, contingent milestone payments of up to USD $287 million plus royalties on net sales of the product. The upfront payment will be made in two tranches with USD $2.0 million payable within 20 days of the start date of the agreement, while the balance of USD $1 million is due within 20 days of Hummingbird supplying to the Company the HMBD-002 drug substance.

Likely Developments & Expected Results

The likely developments in the Company's operations, to the extent that such matters can be commented upon, are covered in the 'Operations Report'.

Operating & Financial Review

The net loss after tax of the Company for Year Ended 30 June 2025 was $14,921,913 (30 June 2024 loss: $11,919,223).

The loss is after fully expensing all research and development costs (including those related to the manufacture of clinical development supplies) deployed in the clinical development of ATL1102 for Duchenne Muscular Dystrophy to Phase IIB trial. Additionally, the loss includes non-cash expenses relating to the issue of bonus options and other share-based payments of $1,555,898 (30 June 2024: $198,398).

In October 2024 the Company announced that it had received from the Australian Taxation Office an R&D Tax Incentive refund payment of $2.35 million for the year ended 30 June 2024. The amount received was in relation to the expenditure incurred on eligible R&D activities undertaken in Australia and overseas.

The Company had cash reserves of $10,167,856 at 30 June 2025 (30 June 2024: $11,866,659). The 'Operations Report' provides further details regarding the progress made by the Company since the prior financial period, which have contributed to its results for the year.

Risk Management

The Board is responsible for overseeing the establishment and implementation of the risk management system, and to review and assess the effectiveness of the Company's implementation of that system on a regular basis. The Board and senior management will continue to identify the general areas of risk and their impact on the activities of the Company. The potential risk areas for the Company include:

- efficacy, safety and regulatory risk of pre-clinical and clinical pharmaceutical development;
- financial position of the Company and the financial outlook;
- economic outlook and share market activity;
- changing government policy (Australian and overseas);
- competitors' products/research and development programs;
- market demand and market prices for therapeutics;
- environmental regulations;
- ethical issues relating to pharmaceutical research and development;
- the status of partnership and contractor relationships;

- other government regulations including those specifically relating to the biotechnology and health industries; and
- occupational health and safety and equal opportunity law.

Management will continue to perform a regular review of the following:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- where appropriate, determine:
  - any inadequacies of the current approach; and
  - possible new approaches that more efficiently and effectively address the risk.

Biotechnology Companies – Inherent Risks

Pharmaceutical Research & Development (R&D)

Pharmaceutical R&D involves scientific uncertainty and long lead times. Risks inherent in these activities include uncertainty of the outcome of the Company's research results, difficulties or delays in development of any of the Company's research candidates; and general uncertainty related to the scientific development of a new medical therapy.

The Company's drug compounds require significant pre-clinical and human clinical development prior to commercialisation, processes which are uncertain, expensive and time consuming. There may be adverse side effects or inadequate therapeutic efficacy of the Company's research candidates which would prevent further commercialisation. There may be difficulties or delays in the manufacturing or testing of any of the Company's research candidates. There may also be adverse outcomes with the broader clinical application of the chosen technology platform which could have a negative impact on the Company's specific drug development and commercialisation plans.

No assurance can be given that the Company's product development efforts will be successful, that any potential product will be safe and efficacious, that required regulatory and pricing reimbursement approvals will be obtained, that the Company's products will be capable of being produced in commercial quantities at an acceptable cost or at all, that the Company will have access to sufficient capital to successfully advance the products through development or to find suitable development or commercial partners for the development and/or commercialisation of the products and that any products, if introduced, will achieve market acceptance.

In addition, Pharmaceutical R&D activities require a high level of funding over a long period of time to complete the development and commercialisation of pharmaceutical products. There is no assurance that additional funding will be available to the Company in the future or be secured on acceptable terms. If adequate funds are not available, the Company's business will be materially and adversely affected. If the Company is unable to access capital to continue the development of its products, then this could adversely impact on the collaboration and licensing agreement with its key licensing partners. In addition, if the Company is unable to meet certain performance obligations, it may lead to a dispute with its licensing partners. Unresolved disputes may in turn lead to potential termination of the license granted by them to the Company to exploit relevant products, with the relevant product rights then returning to the licensing partner.

Partnering & Licensing

Due to the significant costs in drug discovery and development it is common for biotechnology companies to partner with larger biotechnology or pharmaceutical companies to help progress drug development. While the Company has previously entered into such licensing agreements with pharmaceutical partners, there is no guarantee that the Company will be able to maintain such partnerships or license its products in the future. There is also no guarantee that the Company will receive back all the data generated by or related intellectual property from its licensing partners. In the event that the Company does license or partner the drugs in its pipeline, there is no assurance as to the attractiveness of the commercial terms nor any guarantee that the agreements will generate a material commercial return for the Company.

Regulatory Approvals

Complex government health regulations, which are subject to change, add uncertainty to obtaining approval to undertake clinical development or obtaining marketing and pricing reimbursement approval for pharmaceutical products. Delays may be experienced in obtaining such approvals, or the regulatory authorities may require repeat of different or expanded animal safety studies or human clinical trials, and these may add to the development cost and delay products from moving into the next phase of drug development and including up to the point of entering the market. This may adversely affect the competitive position of products and the financial value of the research candidates to the Company. There can be no assurance that regulatory clearance will be obtained for a product or that the data obtained from clinical trials will not be subject to varying interpretations. There can be no assurance that the regulatory authorities will agree with the Company's assessment of future clinical trial results or with the suitability of the Company's regulatory submissions for clinical trial, early access or product marketing approval as applicable.

Biotechnology Companies – Inherent Risks *continued*

Competition

The Company will always remain subject to the material risk arising from the intense competition that exists in the pharmaceutical industry. A material risk therefore exists that one or more competitive products may be in human clinical development now or may enter into human clinical development in the future. It is possible that a competitor may be in that market sooner than the Company and establish itself as the preferred product.

Technology & Intellectual Property Rights

Securing rights to technology and patents is an integral part of securing potential product value in the outcomes of pharmaceutical R&D. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. There can be no assurance that any patents which the Company has in licensed or may own, access or control will afford the Company commercially significant protection of its technology or its products or have commercial application, or that access to these patents will mean that the Company will be free to commercialise its drug candidates. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid the Company's patented technology or try to invalidate the Company's patents, or that it will be commercially viable for the Company to defend against such potential actions of competitors.

Accordingly, investment in companies specialising in drug development must be regarded as highly speculative. The Company strongly recommends that professional investment advice be sought prior to such investments.

Environmental Regulation and Performance

The Company is involved in pharmaceutical research and development, much of which is contracted out to third parties, and it is the Director's understanding that these activities do not create any significant/material environmental impact. To the best of the Company's knowledge, the scientific research activities undertaken by, or on behalf of, the Company are in full compliance with all prescribed environmental regulations.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Board Meetings		Nomination & Remuneration Committee		Audit & Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Dr Charmaine Gittleson	15	15	1	1	1	1
Dr Ben Gil Price	15	15	1	1	1	1
Dr James Garner	15	15	1	1	1	1

Committee Membership

As at the date of this report the Company had an Audit Committee and Remuneration Committee, with membership of the committees as follows:

	Audit Committee	Remuneration Committee	Nominating & Governance Committee
Chair	Dr Ben Gil Price	Dr Charmaine Gittleson	N/A
Members	Dr Charmaine Gittleson N/A	Dr Ben Gil Price N/A	Dr Ben Gil Price Dr Charmaine Gittleson

Indemnification & Insurance of Directors & Officers

Under the Company's constitution:

(a) To the extent permitted by law and subject to the restrictions in section 199A and 199B of the *Corporations Act 2001*, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company where the Company requested the officer to accept appointment as Director.

(b) To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the *Corporations Act 2001*, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company has insured its Directors, the Company Secretaries and executive officers for the financial year ended 30 June 2025 under the Company's Directors' and Officers' Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the *Corporations Act 2001* to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

The Company also has in place a Deed of Indemnity, Access and Insurance with each of the Directors. This Deed:

(1) indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of any Group Company;

(2) requires the Company to maintain, and pay the premium for, a D&O Policy in respect of the Director; and

(3) provides the Director with access to particular papers and documents requested by the Director for a Permitted Purpose, both during the time that the Director holds office and for a seven year period after the Director ceases to be an officer of any Group Company, on the terms and conditions contained in the Deed.

Indemnification of Auditor

William Buck Audit (Vic) Pty Ltd

To the extent permitted by law, the Company has agreed to indemnify its auditors, William Buck, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify William Buck during or since the financial year.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Share Options on Issue as at the Date of the Report

Unissued Shares

The unissued ordinary shares of Percheron Therapeutics Limited under option as at the date of this report were:

Class	Date of Expiry	Exercise Price	No. Under Option
ANPAI	07 Aug 28	$0.070	6,690,000
ANPAJ	30 Jun 28	$0.061	3,000,000
PERAK	04 Jul 29	$0.083	10,600,000
PERAL	28 Nov 29	$0.260	4,036,487
PERAM	28 Nov 29	$0.390	4,036,487
PERAN	28 Nov 29	$0.520	4,036,486
PERAO	20 May 28	$0.035	107,056,816
			139,456,276

Auditor Independence and Non-Audit Services

Auditor's Independence Declaration

The Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2025 has been received and can be found in the 'Auditor's Independence Declaration' section of this Annual Report.

Non-Audit Services

William Buck did not provide any non-audit services to the Company during the year.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the company's financial statements and directors' report have been rounded off to the nearest dollar, unless otherwise stated.

Remuneration Report *(Audited)*

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company as required by the *Corporations Act 2001* and its Regulations.

This report details the nature and amount of remuneration of each Director of Percheron Therapeutics Limited and all other Key Management Personnel.

For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

The Directors of Percheron Therapeutics are pleased to present the Remuneration Report for the Company for the financial year ended 30 June 2025. This Report forms part of the Directors Report and has been prepared and audited in accordance with the requirements of the *Corporations Act 2001*.

Directors and Other Key Management Personnel:

Name	Position
Dr Charmaine Gittleson	Independent Non-Executive Chair
Dr Ben Gil Price	Independent Non-executive Director
Dr James Garner	Director, Chief Executive Officer
Ms Deborah Ambrosini	Chief Financial Officer and Company Secretary
Dr George Tachas	Director, Drug Discovery & Patents (retired 7 March 2025)
Dr Anthony Filippis	Chief Commercial Officer (resigned 20 December 2024)

Principles Used to Determine the Nature and Amount of Remuneration

(A) REMUNERATION POLICY

The Remuneration Policy ensures that Directors and Senior Management are appropriately remunerated having regard to their relevant experience, their performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate. The Remuneration Policy has been established to enable the Company to attract, motivate and retain suitably qualified Directors and Senior Management who will create value for shareholders.

(B) REMUNERATION POLICY VERSUS COMPANY PERFORMANCE

The Company's Remuneration Policy is not directly based on the Company's earnings. Prior to the year ended 30 June 2025, the Company's earnings had remained negative since inception due to the nature of the Company. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company.

The Company continues to focus on the research and development of its intellectual property portfolio with the objective of achieving key development and commercial milestones in order to add further Shareholder value.

The Company's performance over the previous five financial years is as follows:

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Net loss before income tax	$14,921,913	$11,919,223	$11,379,828	$5,811,810	$8,060,639
Share price	$0.010	$0.085	$0.059	$0.075	$0.195

(C) THE REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of Percheron Therapeutics Limited is responsible for overseeing the Remuneration Policy of the Company and for recommending or making such changes to the policy as it deems appropriate.

(D) NON-EXECUTIVE DIRECTOR REMUNERATION

Objective:

The Remuneration Policy ensures that Non-Executive Directors are appropriately remunerated having regard to their relevant experience, individual performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate.

Structure:

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a General Meeting. An amount (not exceeding the amount approved at the General Meeting) is determined by the Board and then divided between the Non-Executive Directors as agreed. The latest determination was at the General Meeting held on 15 December 2021 when shareholders approved the aggregate maximum sum to be paid or provided as remuneration to the Directors as a whole (other than the Managing Director and Executive Directors) for their services as $500,000 per annum.

In the year ended 30 June 2025, the Non-Executive Directors were remunerated in aggregate $379,118 per annum, including superannuation and non-cash share based payments. The manner in which the aggregate remuneration is apportioned amongst Non-Executive Directors is reviewed periodically. The Board is responsible for reviewing its own performance. Board, and Board committee performance, is monitored on an informal basis throughout the year with a formal review conducted during the financial year.

No retirement benefits are payable other than statutory superannuation, if applicable.

(E) EXECUTIVE DIRECTOR & EXECUTIVE OFFICER REMUNERATION

Objective:

The Remuneration Policy ensures that Executive Directors are appropriately remunerated having regard to their relevant experience, individual performance, the performance of the Company, industry norms/standards and the general pay environment as appropriate.

Structure:

The Non-Executive Directors are responsible for evaluating the performance of the Managing Director, who in turn evaluates the performance of the other Senior Executives. The evaluation process is intended to assess the Company's business performance, whether long-term strategic objectives are being achieved and the achievement of individual performance objectives.

The performance of the Managing Director and Senior Executives is monitored on an informal basis throughout the year and a formal evaluation is performed annually.

ELEMENTS OF REMUNERATION

Fixed Remuneration:

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance and car allowances. Fixed remuneration is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

Short-term incentives:

All employees are entitled to participate in a short-term incentive scheme which provides for employees to receive a combination of STI as part of their total remuneration if they achieve certain performance indicators as set by the board. The STI can be paid either by cash, or a combination of cash and the issue of equity in the Company, at the determination of the remuneration committee and board.

The Company is attentive to the performance of employees in their duties, to the achievements of the Company in relation to its goals and objectives, and to the prevailing financial circumstances of the Company. Any bonus payment shall be at the Company's sole discretion and the Company is not obliged to pay a bonus to any employee.

On an annual basis, KPIs are reviewed and agreed in advance of each financial year and include financial and non-financial performance goals.

Long-term incentives:

Employee may also be provided with longer-term incentives through the Company's 'Employee Share and Option Plan' (ESOP), that was approved by shareholders at the annual general meeting held on 15 November 2023. The aim of the ESOP is to allow employees to participate in, and benefit from, the growth of the Company as a result of their efforts and to assist in motivating and retaining those key employees over the long-term. Continued service is the condition attached to the vesting of the options. The board at its discretion determines the total number of options granted to each employee.

LINK BETWEEN REMUNERATION AND PERFORMANCE

Statutory performance indicators:

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth.

Remuneration Report *(Audited) continued*

Details of Remuneration

The remuneration for each Director and each of the other Key Management Personnel of the Company during the Year Ended 30 June 2025 was as follows:

2025	Short-term employee benefits			Post-employment Benefits	Long-term Benefits	Share-Based Payments	
	Cash salary & fees $	Short term incentive $	Non-monetary benefits $	Pension & Super Contribution $	Long Service Leave $	Options $	Total $
Directors							
Dr Charmaine Gittleson	127,240	-	-	14,720	-	37,205	179,165
Dr Ben Gil Price [1]	116,308	-	-	-	-	83,645	199,953
Dr James Garner [4]	432,057	-	27,240	71,654	-	162,772	693,723
	675,605	**-**	**27,240**	**86,374**	**-**	**283,622**	**1,072,841**
Other Key Management Personnel							
Ms Deborah Ambrosini	300,000	25,000	20,873	37,375	-	59,146	442,394
Dr George Tachas [2]	240,071	-	(127,087)	30,006	87,517	15,300	245,807
Dr Anthony Filippis [3]	188,795	-	(38,085)	29,388	-	-	180,098
	728,866	**25,000**	**(144,299)**	**96,769**	**87,517**	**74,446**	**868,299**
	1,404,471	**25,000**	**(117,059)**	**183,143**	**87,517**	**358,068**	**1,941,140**

[1] The US Director (NED) is paid USD$60,000 per annum for Financial Year 2025. US based committee Chairs are paid a further USD$15,000 per annum.

[2] Retired 7 March 2025 includes final payments made on retirement.

[3] Resigned 20 December 2024 includes final payments made on resignation.

[4] Includes deferred salary component of $61,868. Dr Garner offered and the Board agreed with effect from 4 March 2025 to defer 50% of Dr Garner's salary until the earlier of (i) execution of a definitive licensing agreement (ii) cessation of Dr Garner's employment; or (iii) until such other date as determined by the Board.

The remuneration for each Director and each of the other Key Management Personnel of the Company during the Year Ended 30 June 2024 was as follows:

2024	Short-term benefits			Post-employment Benefits	Long-term Benefits	Share-Based Payments	
	Cash salary & fees $	Short term incentive $	Non-monetary benefits $	Pension & Super Contribution $	Long Service Leave $	Options $	Total $
Directors							
Dr Charmaine Gittleson	128,000	-	-	14,080	-	78,214	220,294
Dr Ben Gil Price [1]	113,770	-	-	-	-	-	113,770
Dr James Garner	434,456	190,000	24,982	47,790	7,272	120,184	824,684
	676,226	**190,000**	**24,982**	**61,870**	**7,272**	**198.398**	**1,158,748**
Other Key Management Personnel							
Ms Deborah Ambrosini [3]	12,500	-	1,056	1,375	-	-	14,931
Dr George Tachas	270,666	67,500	33,095	29,615	83,893	-	484,768
Dr Anthony Filippis	335,000	175,000	33,254	46,200	6,593	-	596,047
Mr Phillip Hains [2] [4]	159,481	-	-	-	-	-	159,481
	777,647	**242,500**	**67,405**	**77,190**	**90,485**	**-**	**1,255,227**
	1,453,873	**432,500**	**92,387**	**139,060**	**97,757**	**198,398**	**2,413,975**

(1) Dr Gil Price (NED) is paid USD$50,000 per annum. Committee Chairs are paid a further USD amount depending on committee they chair.
(2) Remunerated through Acclime Australia - Listed CFO Services division (see Section 5 below and the Company Secretary details for further detail).
(3) Appointed 17 June 2024.
(4) Resigned 17 June 2024.

Share-Based Compensation

SHAREHOLDINGS

The number of shares in the Company held during the financial year by each Director and other Key Management Personnel of the Company, including their related parties, are set out below. No shares were granted to Directors and Key Management Personnel during the period as compensation.

30 June 2025	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other	Balance at the end of the year
Directors					
Dr Charmaine Gittleson (1)	733,333	-	-	1,666,666	2.399,999
Dr Ben Gil Price (2)	999,805	-	-	5,000,000	5,999,805
Dr James Garner (1) (2)	1,000,000	-	-	51,500,000	52.500,000
	2,733,138	**-**	**-**	**58,166,666**	**60,899,804**
Other Key Management Personnel					
Ms Deborah Ambrosini (2)	-	-	-	652,500	652,500
Dr George Tachas (1) (3)	2,863,566	-	-	(2,863,566)	-
Dr Anthony Fillipis (4)	-	-	-	-	-
	2,863,566	**-**	**-**	**(2,211,066)**	**652,500**
	5,596,704	**-**	**-**	**55,955,600**	**61,552,304**

(1) Participation in the Company's Share Purchase Plan in November 2024 and on market purchases.
(2) Shares purchased on market.
(3) Retired 7 March 2025 and ceased as KMP.
(4) Resigned 20 December 2024 and ceased as KMP.

Remuneration Report *(Audited) continued*

Details of Remuneration *continued*

OPTIONS

The number of options in the Company held during the financial year by each Director and other Key Management Personnel of the Company, including their related parties, are set out below.

30 June 2025	Balance at start of the year	Granted as Compensation	Options Exercised	Net Change Other (2)(5)	Total	Total vested at end of the year
Directors						
Dr Charmaine Gittleson	3,006,667	-	-	233,332	3,239,999	2,239,999
Dr Ben Gil Price [1] [2]	1,000,000	3,000,000	-	(1,000,000)	3,000,000	500,000
Dr James Garner [1]	6,690,000	3,000,000	-	5,000,000	14,690,000	8,845,000
	10,696,667	**6,000,000**	**-**	**4,233,332**	**20,929,999**	**11,584,999**
Other Key Management Personnel						
Ms Deborah Ambrosini	-	1,800,000	-	65,250	1,865,250	365,250
Dr George Tachas [3]	2,204,817	1,800,000	-	(4,004,817)	-	-
Dr Anthony Fillipis [4]	5,500,000	1,800,000	-	(7,300,000)	-	-
	7,704,817	**5,400,000**	**-**	**(11,239,567)**	**1,865,250**	**365,250**
	18,401,484	**11,400,000**	**-**	**(7,006,235)**	**22,795,249**	**11,950,249**

(1) Director options were awarded for Financial Year 2024 but were not granted until approval was obtained at the 2024 Percheron Therapeutics Annual General Meeting.

(2) Options expired 20 December 2024

(3) Retired 7 March 2025 and ceased as KMP. In accordance with the Percheron Therapeutics Employee Share Option Plan all unvested options were cancelled.

(4) Resigned 20 December 2024 and ceased as KMP. In accordance with the Percheron Therapeutics Employee Share Option Plan all unvested options were cancelled.

(5) Options were issued as part of the Percheron Therapeutics Bonus Option Issue as disclosed in the prospectus lodged with ASIC on 6 May 2025 and the ASX on 7 May 2025.

OPTIONS

These options are granted to KMP as compensation and excludes the free attaching options acquired from participation in Bonus issues of Percheron Therapeutics.

Grant date	Expiry date	Vesting date	Exercise price	No. of options	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option	Vested
			($)		($)	%	%	%	($)	%
15 Nov 23	30 Jun 28	31 Dec 23	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	100
15 Nov 23	30 Jun 28	30 Jun 24	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	100
15 Nov 23	30 Jun 28	31 Dec 24	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	100
15 Nov 23	30 Jun 28	30 Jun 25	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	100
15 Nov 23	30 Jun 28	31 Dec 25	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	-
15 Nov 23	30 Jun 28	30 Jun 26	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	-
15 Nov 23	07 Aug 28	07 May 24	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	100
15 Nov 23	07 Aug 28	07 May 25	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	100
15 Nov 23	07 Aug 28	07 May 26	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	-
15 Nov 23	07 Aug 28	07 May 27	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	-
04 Jul 24	04 Jul 29	04 Jan 25	0.083	300,000	0.0850	67.16	0.00	4.164	0.0510	100
04 Jul 24	04 Jul 29	04 Jul 25	0.083	300,000	0.0850	67.16	0.00	4.164	0.0510	-
04 Jul 24	04 Jul 29	04 Jan 26	0.083	300,000	0.0850	67.16	0.00	4.164	0.0510	-
04 Jul 24	04 Jul 29	04 Jul 26	0.083	300,000	0.0850	67.16	0.00	4.164	0.0510	-
04 Jul 24	04 Jul 29	04 Jan 27	0.083	300,000	0.0850	67.16	0.00	4.164	0.0510	-
04 Jul 24	04 Jul 29	04 Jul 27	0.083	300,000	0.0850	67.16	0.00	4.164	0.0510	-
04 Jul 24	04 Jul 29	04 Jan 25	0.083	1,000,000	0.0740	87.43	0.00	4.199	0.0490	100
04 Jul 24	04 Jul 29	04 Jul 25	0.083	1,000,000	0.0740	87.43	0.00	4.199	0.0490	-
04 Jul 24	04 Jul 29	04 Jan 26	0.083	1,000,000	0.0740	87.43	0.00	4.199	0.0490	-
04 Jul 24	04 Jul 29	04 Jul 26	0.083	1,000,000	0.0740	87.43	0.00	4.199	0.0490	-
04 Jul 24	04 Jul 29	04 Jan 27	0.083	1,000,000	0.0740	87.43	0.00	4.199	0.0490	-
04 Jul 24	04 Jul 29	04 Jul 27	0.083	1,000,000	0.0740	87.43	0.00	4.199	0.0490	-
				17,490,000						

The Company recognised a total of $1,555,898 of share-based payment expense in the statement of profit or loss (30 June 2024: $198,398). The total vested and exercisable options for the year ended 30 June 2025 is 7,445,000 (30 June 2024: 20,172,500).

Remuneration Report *(Audited) continued*

Details of Remuneration *continued*

***OPTIONS** continued*

The terms and conditions of each grant of options affecting remuneration during the year 30 June 2024 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	No. of options	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option	Vested
			($)		($)				($)	%
19 Mar 21	18 Mar 25	21 Dec 22	0.185	800,000	0.205	120.28	0.00	0.110	0.1605	100
19 Mar 21	18 Mar 25	21 Mar 22	0.185	3,200,000	0.205	120.28	0.00	0.110	0.1514	100
21 Dec 22	20 Dec 24	21 Dec 22	0.480	1,000,000	0.0895	87.63	0.00	3.185	0.0100	100
21 Dec 22	18 Mar 25	19 Mar 23	0.270	2,000,000	0.0895	92.68	0.00	3.185	0.0313	100
21 Dec 22	18 Mar 25	19 Mar 23	0.185	2,500,000	0.0895	92.68	0.00	3.185	0.0243	100
15 Nov 23	30 Jun 28	31 Dec 23	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	100
15 Nov 23	30 Jun 28	30 Jun 24	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	100
15 Nov 23	30 Jun 28	31 Dec 24	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	-
15 Nov 23	30 Jun 28	30 Jun 25	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	-
15 Nov 23	30 Jun 28	31 Dec 25	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	-
15 Nov 23	30 Jun 28	30 Jun 26	0.061	500,000	0.0620	79.27	0.00	4.172	0.0389	-
15 Nov 23	07 Aug 28	07 May 24	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	100
15 Nov 23	07 Aug 28	07 May 25	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	-
15 Nov 23	07 Aug 28	07 May 26	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	-
15 Nov 23	07 Aug 28	07 May 27	0.070	1,672,500	0.0620	79.61	0.00	4.172	0.0373	-
				19,190,000						

6,000,000 (2024: 9,690,000) options over ordinary shares were granted to Directors as part of compensation during the year ended 30 June 2025. These options were issued after approval was obtained at the 2024 Annual General Meeting of the Company.

Employment Contracts of Key Management Personnel

At the date of this report, the employment conditions of the Managing Director and CEO, Dr James Garner and other Key Management Personnel were formalised in contracts of employment.

Dr James Garner is employed under a contract which commenced 8 May 2023. This contract provides for a notice period of six months by either party.

Mrs Deborah Ambrosini is employed under a contract which commenced 17 June 2024. This contract provides for a notice period of three months by either party.

Additional Information

(A) EQUITY ISSUED AS PART OF REMUNERATION FOR THE YEAR ENDED 30 JUNE 2024

During the financial year ended 30 June 2025, no options have been exercised by Key Management Personnel (KMP) when they were acting as a KMP.

Nil options were fully vested to Key Management Personnel. During the year 3,000,000 options were issued to Dr James Garner and 3,000,000 options were issued to Dr Ben Gil Price after approval was received at the 2024 Percheron Therapeutics Annual General Meeting.

(B) LOANS TO DIRECTORS & OTHER KEY MANAGEMENT PERSONNEL

There were no loans made to Directors or Other Key Management Personnel of the Company, including their related parties.

(C) OTHER TRANSACTIONS WITH OTHER KEY MANAGEMENT PERSONNEL

Transactions between Key Management Personnel are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the Directors.

Dr Charmaine Gittleson
Independent Non-Executive Chair

Dr James Garner
Managing Director/CEO

Dated: 28th of August 2025

Auditor's Independence Declaration

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Percheron Therapeutics Limited

As lead auditor for the audit of Percheron Therapeutics Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director
Melbourne, 28 August 2025

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com
williambuck.com.au

Corporate Governance

Percheron Therapeutics Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Percheron Therapeutics Limited has reviewed its corporate governance practices against the *Corporate Governance Principles and Recommendations (4th edition)* published by the ASX Corporate Governance Council.

The 2025 Corporate Governance Statement is dated as at 30 June 2025 and reflects the corporate governance practices in place throughout the 2025 financial year. The 2025 Corporate Governance Statement was approved by the board on 28 August 2025. A description of the Company's current corporate governance practices is set out in the Company's corporate governance statement which can be viewed **https://percherontx.com/investors/corporate-governance/**

Financial Contents:

General information

The financial statements cover Percheron Therapeutics Limited as an individual entity. The financial statements are presented in Australian dollars, which is Percheron Therapeutics Limited's functional and presentation currency.

Percheron 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
Level 30, Collins Place, 35 Collins Street, Victoria	Level 30, Collins Place, 35 Collins Street, Victoria

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2025. The Directors have the power to amend and reissue the financial statements.

Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 $	2024 $
Revenue			
Other Income	3	1,801,056	2,968,177
Expenses			
Administration expense	4	(1,875,978)	(1,933,618)
Employee expense		(2,274,004)	(1,910,715)
Depreciation expense		(67,978)	(79,425)
Finance costs		(14,932)	(3,603)
Patent expense		(167,283)	(62,146)
Research and Development expense	5	(10,766,896)	(10,699,495)
Share-based payments expense	14	(1,555,898)	(198,398)
Loss before income tax expense		**(14,921,913)**	**(11,919,223)**
Income tax expense/(benefit)	6	-	-
Loss after income tax expense for the year attributable to the owners of Percheron Therapeutics Limited		**(14,921,913)**	**(11,919,223)**
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Percheron Therapeutics Limited		**(14,921,913)**	**(11,919,223)**
		Cents	Cents
Basic earnings per share	9	(1.46)	(1.35)
Diluted earnings per share	9	(1.46)	(1.35)

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

Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
ASSETS			
Current Assets			
Cash and Cash Equivalents	10	10,167,856	11,866,659
Trade and Other Receivables	11	1,582,522	2,568,491
Prepayments		650,417	38,283
Total current assets		**12,400,795**	**14,473,433**
Non-Current Assets			
Property, Plant and Equipment		10,036	17,701
Right-of-use assets		25,306	39,160
Total non-current assets		**35,342**	**56,861**
TOTAL ASSETS		**12,436,137**	**14,530,294**
LIABILITIES			
Current Liabilities			
Trade and Other Payables	12	2,244,456	4,865,780
Lease liabilities		25,865	39,874
Employee Benefits	13	161,943	246,350
Total current liabilities		**2,432,264**	**5,152,004**
Non-Current Liabilities			
Employee Benefits	13	-	15,203
Total non-current liabilities		**-**	**15,203**
TOTAL LIABILITIES		**2,432,264**	**5,167,207**
NET ASSETS		**10,003,873**	**9,363,087**
EQUITY			
Issued Capital	15	112,048,298	109,371,042
Reserves	16	1,622,634	1,722,286
Accumulated losses		(103,667,059)	(101,730,241)
TOTAL EQUITY		**10,003,873**	**9,363,087**

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

Statement of Changes in Equity

For the year ended 30 June 2025

	Contributed Equity	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 July 2023	**98,262,795**	**4,002,088**	**(92,289,218)**	**9,975,665**
Loss after income tax expense for the year	-	-	(11,919,223)	(11,919,223)
Total comprehensive loss for the year	**-**	**-**	**(11,919,223)**	**(11,919,223)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:				
Issue of share capital (note 15)	11,611,522	-	-	11,611,522
Share-based payments (note 14)	-	198,398	-	198,398
Options Lapsed (note 16)	-	(2,478,200)	2,478,200	-
Transaction costs related to issue of share capital (note 15)	(503,275)	-	-	(503,275)
Balance at 30 June 2024	**109,371,042**	**1,722,286**	**(101,730,241)**	**9,363,087**

	Contributed Equity	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 July 2024	**109,371,042**	**1,722,286**	**(101,730,241)**	**9,363,087**
Loss after income tax expense for the year	-	-	(14,921,913)	(14,921,913)
Total comprehensive loss for the year	**-**	**-**	**(14,921,913)**	**(14,921,913)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:				
Issue of share capital (note 15)	14,871,491	-	-	14,871,491
Share-based payments (note 14)	-	1,555,898	-	1,555,898
Expired options (note 16)	-	(1,655,550)	1,655,550	-
Cancellation of paid capital not represented by available assets under S258F of the Corporations Act (note 15)	(11,329,545)	-	11,329,545	-
Transaction costs related to issue of share capital (note 15)	(864,690)	-	-	(864,690)
Balance at 30 June 2024	**112,048,298**	**1,622,634**	**(103,667,059)**	**10,003,873**

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

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers (inclusive of GST)		(18,402,066)	(12,276,835)
R&D tax concession refund		2,352,001	1,576,657
		(16,050,065)	**(10,700,178)**
Interest received		406,753	587,228
Other revenue		-	700
Interest and other finance costs paid		-	(3,603)
Net cash used in operating activities	19	**(15,643,312)**	**(10,115,853)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,240)	(3,606)
Net cash used in investing activities		**(7,240)**	**(3,606)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	15	14,871,491	11,611,522
Transactions costs on issue of shares		(864,690)	(503,275)
Repayment of principal portion of lease liability		(55,052)	(89,388)
Net cash from/(used in) financing activities		**13,951,749**	**11,018,859**
Net increase/(decrease) in cash and cash equivalents		(1,698,803)	899,400
Cash and cash equivalents at the beginning of the financial year		11,866,659	10,967,259
Cash and cash equivalents at the end of the financial year	10	**10,167,856**	**11,866,659**

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

Notes to the Financial Statements

30 June 2025

Note 1:
Material Accounting Policy Information

1.A Corporate Information

The financial report of Percheron Therapeutics Limited (the 'Company') for the Year Ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 28 August 2025.

Percheron Therapeutics Limited is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company also has a Level 1 American Depository Receipt (ADR) program traded on the US over-the-counter market.

The principal activity of the Company is the research and development of novel antisense pharmaceuticals.

1.B Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards, required for a for-profit entity.

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Where relevant, comparative information has been reclassified to ensure comparability with the current year disclosures and presentation. The Company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

Going Concern

The Company incurred a loss from ordinary activities of $14,921,913 during the year ended 30 June 2025 (30 June 2024: $11,919,223) including non-cash expenses relating to the issue of options as share-based payments of $1,555,898 (30 June 2024: $198,398) and incurred an operating cash outflow of $15,643,312 (30 June 2024: $10,115,853).

The Company will continue to fund its ongoing clinical development projects in FY26. The cash balance at 30 June 2025 was $10,167,856 (30 June 2024: $11,866,659).

The conditions above indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Directors believe there are reasonable grounds to expect the Company will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report, despite a material uncertainty existing at 30 June 2025.

The key factors underpinning this assessment are as follows:

- The Company has a cash balance at 30 June 2025 of $10,167,856.
- The Company has in the past and intends to in the future utilise the Federal Government research and development tax incentives. An amount of $1.43m has been accrued for the 2025 financial year.
- The Company has a strong track record of securing additional capital as evidenced through its equity placements and retail capital raising activities in prior years.
- During the year the Company implemented a cost reduction program involving all non-essential operating expenditure being terminated or suspended and significant reductions in team members.

The Directors have prepared cash flow forecasts that indicate that the Company will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of this report.

Based on the cash flow forecasts prepared, and other available facts, the Directors are satisfied that preparation of the 30 June 2025 financial report on a going concern basis is appropriate, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

1.C Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

1.D New, Revised or Amending Accounting Standards & Interpretation Adopted

New Standard and Interpretations in issue

A number of amended standards became applicable for the current reporting period. The company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

1.E Summary of Material Accounting Policy Information

a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant related to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Company currently receives grant funding in the form of the R&D Tax Incentive. The grant funding is to facilitate research projects in collaboration with Publicly Funded Research Organisation to develop new ideas to commercial potential.

The Company is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claims lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

b) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the 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 consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

1.E Summary of Material Accounting Policy Information *continued*

b) *Share-based payments* *continued*

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 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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

c) *Cash & Cash Equivalents*

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

d) *Foreign Currencies*

The functional currency of the Company is based on the primary economic environment in which the Company operates. The functional currency of the Company is Australian dollars.

Transactions in foreign currencies are converted to local currency at the rate of exchange at the date of the transaction.

Amounts payable to and from the Company outstanding at reporting date and denominated in foreign currencies have been converted to local currency using rates prevailing at the end of the financial year.

All exchange differences are taken to profit or loss.

e) *Income Taxes*

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting loss nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a

transaction that is not a business combination and, at the time of transaction, affects neither the accounting loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

Deferred Tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Given the history of losses, there is limited support for the recognition of these losses as deferred tax assets. On this basis, Percheron Therapeutics Limited has determined it cannot recognise deferred tax assets on the tax losses carried forward. Further, on this basis, deferred tax assets have not been recognised related to temporary differences.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

f) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

Cash flows arising from operating activities are included in the Cash Flow Statement on a gross basis (i.e. including GST) and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. The net amount of GST recoverable from or payable to, the taxation authority is included as part of the receivables or payables in the Statement of Financial Position.

g) Research & Development Costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not available for use, or more frequently when an indication of impairment arises during the reporting period.

h) Trade & Other Payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Licensing fees are recognised as an expense when it is confirmed that they are payable by the Company.

i) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave payments expected to be settled within 12 months of the reporting date are recognised in other provisions in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

1.E Summary of Material Accounting Policy Information *continued*

i) Employee Benefits continued

Long Service Leave

The liability for long service leave is recognised for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 national corporate bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

j) Contributed Equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction (net of tax) of the share proceeds received.

k) Earnings Per Share

Basic earnings per share is calculated as profit or loss attributable to equity holders of the Parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as profit or loss attributable to equity holders of the Parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The Company is in a loss-making position. While diluted earnings per share reflects potential dilution from options and other convertible securities, these instruments generally won't have a dilutive impact when a company is reporting a loss, as dilution only occurs if it would increase the loss per share. In such cases, diluted earnings per share will typically be the same as or very close to basic earnings per share.

l) Share Capital Reduction

Under S258F(1) of the *Corporations Act*, a company may reduce its share capital without shareholder approval by cancelling any paid up capital that is not represented by available assets. The capital reduction has no impact on the Company's assets, net assets, financial results, cashflow or funding. The number of shares on issue will not change as a result of the capital reduction.

Note 2: Dividends

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

Note 3: Other Income

	2025	2024
	$	$
Research and development tax concession	1,429,962	2,352,001
Interest from external parties	371,094	615,476
Other Income	-	700
Revenue & Other Income	**1,801,056**	**2,968,177**

The Research and Development Tax concession anticipated refund for expenditure incurred for the 30 June 2025 reporting period is $1,429,962 (30 June 2024 $2,352,001).

Interest income is received from financial institutions on the balance of term deposits and cash accounts held during the year.

Notes to the Financial Statements *continued*

30 June 2025

Note 4: Administration

	2025	2024
	$	$
Business development expenses	1,214,363	1,375,928
Compliance expenses	507,907	443,765
Office expenses	153,708	107,830
	1,875,978	**1,927,523**

Note 5: Research & Development

	2025	2024
	$	$
ATL 1102	10,670,026	9,847,570
ALT 1103	28,326	34,908
Other research and development	68,544	817,017
	10,766,896	**10,699,495**

All research and development costs are expensed as incurred in accordance with Percheron's established accounting policies. Research and development expenditure in the current year did not meet the development criteria for recognition as an intangible asset and has therefore been fully expensed.

Note 6: Income Tax

	2025	2024
	$	$
Accounting loss before income tax	**(14,921,913)**	**(11,919,223)**
Tax at the Australian tax rate of 25% (2024: 30%)	(3,730,478	(3,575,767)
Share based payments	388,975	59,519
Non deductible R&D expenditure	821,817	1,454,846
Non-assessable grant income	(357,491)	(705,600)
Section 40-880 deductions	(173,366)	(173,267)
Entertainment	1,148	3,271
Subtotal	**(3,049,495)**	**(2,936,998)**
Tax loss not recognised	3,049,495	2,936,998
Income tax expense reported in the statement of profit or loss	-	-
Income tax expense/(benefit) attributable to the Company	**-**	**-**
Deferred Tax - Deferred tax assets and liabilities:		
Accruals	143,694	341,163
Prepayments	(162,604)	(11,485)
Provision for annual leave & long service leave	13,966	69,344
Right of use asset	26,128	19,041
Lease liability	(19,802)	(11,962)
Other	25,218	26,248
Net deferred tax asset not recognised	**26,600**	**432,349**
Derecognition of deferred tax asset	(26,600)	(432,349)
Net deferred tax asset	**-**	**-**

Tax Losses

Percheron Therapeutics Limited has unconfirmed, unrecouped tax losses in Australia which have not been brought to account. The ability to be able to recognise a deferred tax asset in respect of these tax losses will be dependent upon the probability that future taxable profit will be available against which the unused tax losses can be utilised and the conditions for deductibility imposed by Australian tax authorities will be complied with.

	2025	2024
	$	$
Unused tax losses for which no deferred tax asset has been recognised	94,726,139	77,186,623

Note 7: Key Management Personnel Compensation

The aggregate compensation made to Directors and other Key Management Personnel of the Company is set out below:

	2025	2024
	$	$
Short-term employee benefits	1,312,412	1,978,760
Post-employment benefits	183,144	139,060
Long-term benefits	87,516	97,757
Share-based payments	358,068	198,398
	1,941,140	**2,413,975**

For more information on Key Management Personnel Compensation, please refer to the Remuneration Report contained under Directors' Report.

Note 8: Auditors' Remuneration

The auditor of Percheron Therapeutics Limited is William Buck.

	2025	2024
	$	$
Amounts received or due and receivable by for:		
Fees for auditing the statutory financial report of the Company and auditing the statutory financial reports of any controlled entities		
William Buck Audit (Vic) Pty Ltd	49,000	-
Ernst and Young	-	107,308
Fees for other services: Tax compliance services		
William Buck Pty Ltd		
Fees for other services: Tax compliance services	-	13,267
	49,000	**120,575**

30 June 2025

Note 9: Earnings Per Share (EPS)

Basic Earnings per share (EPS) amounts are calculated by dividing profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders (after adjusting for dilution factors) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would by issued on impact of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2025	2024
	$	$
Loss after income tax attributable to the owners of Percheron Therapeutics Limited	(14,921,913)	(11,919,223)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,024,094,730	881,147,456
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,024,094,730**	**881,147,456**

	Cents	Cents
Basic earnings per share	(1.46)	(1.35)
Diluted earnings per share	(1.46)	(1.35)

There have been no other conversions to call of, or subscriptions for ordinary shares, or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

As at 30 June 2025, the Company had 139,456,276 unlisted options outstanding, which at the election of the option holder, are convertible into the following number of shares. In calculation of diluted earnings per share, the Company excluded these shares as they are antidilutive for the period:

Expiry Date	Unlisted Options
30 June 2028	3,000,000 unlisted options exercisable at $0.061 per option
7 August 2028	6,690,000 unlisted options exercisable at $0.007 per option
4 July 2029	10,600,000 unlisted options exercisable at $0.083 per option
28 November 2029	4,036,487 unlisted options exercisable at $0.260 per option
28 November 2029	4,036,487 unlisted options exercisable at $0.390 per option
28 November 2029	4,036,486 unlisted options exercisable at $0.520 per option
20 May 2028	107,056,816 unlisted options exercisable at $0.035 per option

Note 10: Cash & Cash Equivalents

	2025	2024
	$	$
Current assets		
Cash at bank	617,856	366,659
Cash on deposit	9,550,000	11,500,000
	10,167,856	**11,866,659**

During the 30 June 2025 period, the Company allocated $2.5 million to a short-term deposit with a maturity date of 30 July 2025 and a further subsequent term deposit of $5.0 million with a maturity date of 26 August 2025 was established. An amount of $2.05 million was At Call. The Company can call upon term deposits if required.

Note 11: Trade & Other Receivables

	2025	2024
	$	$
Current assets		
Trade receivables	59,947	84,309
Research & Development tax concessional receivable	1,429,962	2,352,001
Other receivables - Deposits paid	55,472	59,380
	1,545,381	**2,495,690**
Interest receivable	37,141	72,801
	1,582,522	**2,568,491**

As at 30 June 2025, the Research and Development tax concession receivable comprises the anticipated return from Financial Year 2025 eligible Research and Development expenditure of $1,429,962.

Note 12: Trade & Other Payables

	2025	2024
	$	$
Current liabilities		
Trade payables	1,430,539	3,728,571
Other payable and accrued expenses	813,917	1,137,209
	2,244,456	**4,865,780**

Trade payables are non-interest bearing and are normally settled on a 30 to 90-day term. All amounts are short term.

Note 13: Employee Benefits

	2025	2024
	$	$
Current liabilities		
Annual leave	106,241	103,889
Long service leave	55,702	142,461
	161,943	**246,350**
Non-current liabilities		
Long service leave	-	15,203
	161,943	**261,553**

30 June 2025

Note 14: Share-based Payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate option-pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the volatility of the price of the underlying shares.

All of the Company's options are unlisted and detailed in the summary below:

	2025		2024	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 July	$0.210	107,576,886	$0.170	147,576,886
Granted during the year	$0.072	133,566,276	$0.061	3,000,000
Exercised during the year	$0.000	-	$0.000	-
Forfeited/lapsed during the year	$0.170	(101,686,886)	$0.133	(43,000,000)
As at 30 June	**$0.072**	**139,456,276**	**$0.210**	**107,576,886**
Vested and exercisable at the end of the financial year	$0.060	120,556,546	$0.260	100,559,386

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Date of Expiry	Exercise Price ($)	Share Options 30 June 2025	Share Options 30 June 2024
19 Mar 2021 (ANPAC)	18 May 2025	0.185		2,000,000
19 Mar 2021 (ANPAD)	18 May 2025	0.270		8,000,000
21 Dec 2021 (ANPAC)	18 Mar 2025	0.185		2,000,000
21 Dec 2022 (ANPAD)	18 Mar 2025	0.270		2,500,000
21 Dec 2022 (ANPAF)	20 Dec 2024	0.480		3,000,000
15 Nov 2023 (ANPAI)	07 Aug 2028	0.070	6,690,000	6,690,000
15 Nov 2023 (ANPAJ)	30 Jun 2028	0.061	3,000,000	3,000,000
04 Jul 2024 (PERAK)	04 Jul 2029	0.083	10,600,000	
28 Nov 2024 (PERAL)	28 Nov 2029	0.260	4,036,487	
28 Nov 2024 (PERAM)	28 Nov 2029	0.390	4,036,487	
28 Nov 2024 (PERAN)	28 Nov 2029	0.520	4,036,486	
			32,399,460	**27,190,000**
15-11-2023 (ANPAF)	20 Dec 2024	0.480		80,386,886
20-05-2025 (PERAO)	20 May 2028	0.035	107,056,816	
			139,456,276	**107,576,886**

Valuation of options awarded in prior period:

Options awarded to the managing director on 4 July 2024 but granted on 25 November 2024 after shareholder approval was received at the 2024 Annual General Meeting were valued at $147,000 with $75,616 expensed during the period.

As at 30 June 2025, there were 32,399,460 equity settled options that were granted in current and prior years as remuneration to employees and contractors. During the financial year 4,000,000 options previously granted to employees expired.

The Company has recognised $1,555,898 of share-based payment expense in the statement of profit or loss (30 June 2024: $198,398). The total vested and exercisable options for the year ended 30 June 2025 is 120,056,546 (30 June 2024: 100,559,386).

Note 14: Share-based Payments *continued*

The Option-value model inputs during the period 30 June 2025 included:

Grant date	Expiry date	Exercise price	No. of options	Share price at grant date	Expected volatility	Dividend yield	Risk- free interest rate	Fair value at grant date per option
		($)		($)	%	%	%	($)
04 Jul 2024	04 Jul 2029	0.083	4,600,000	0.085	67.16%	0.00%	4.164%	0.0510
04 Jul 2024	04 Jul 2029	0.083	6,000,000	0.074	87.40%	0.00%	4.199%	0.0490
28 Nov 2024	28 Nov 2029	0.260	4,036,487	0.074	87.29%	0.00%	4.045%	0.0360
28 Nov 2024	28 Nov 2029	0.390	4,036,487	0.074	87.29%	0.00%	4.045%	0.0300
28 Nov 2024	28 Nov 2029	0.520	4,036,486	0.074	87.29%	0.00%	4.045%	0.0260
20 May 2025	20 May 2028	0.035	107,056,816	0.010	153.82%	0.00%	3.470%	0.0070
			129,766,276					

There are no vesting conditions attaching to these options. In accordance with the Percheron Therapeutics Employee Share Option Plan all unvested employee options may be cancelled upon the employee leaving their employment.

The assessed fair value of options at grant date was determined using the Black Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield (0.00%), and the risk-free interest rate for the term of the security. The volatility was based on analysing the Company's historical trading data for the last 48 months up to and including the valuation date.

Valuation of the options was completed with the Company recognising the $1,555,898 of share-based payment expense in the statement of profit of loss due to issue of options being vested for the year ended 30 June 2025.

Note 15: Issued Capital

a) Ordinary Shares

	2025	2024
	$	$
Ordinary shares – fully paid	112,048,298	109,371,042

Reconciliation of share movement in the period:

	30 June 2025		30 June 2024	
	No.	$	No.	$
At the beginning of the period	901,544,971	109,371,042	669,314,536	98,262,795
Shares issued during the year	185.892,662	14,871,491	232,230,435	11,611,522
Cancellation of paid up capital in accordance with S258F of the Corporations Act	-	(11,329,545)	-	-
Transaction costs related to issue of share capital	-	(864,690)	-	(503,275)
At the end of the period	**1,087,437,633**	**112,048,298**	**901,544,971**	**109,371,042**

30 June 2025

Movements in ordinary share capital:

Date	Details	Shares	Issue Price	$
1 July 2023	**Balance as at 01 July 2023**	669,314,536		98,262,795
24 July 2023	Issue of Shares – Institutional placement	166,990,435	$0.050	8,349,522
22 August 2023	Issue of Shares	65,240,000	$0.050	3,262,000
	Transaction costs related to issue of share capital	-	$0.000	(503,275)
1 July 2024	**Balance as at 01 July 2024**	901,544,971		109,371,042
25 October 2024	Issue of Shares – Institutional placement	135,231,746	$0.080	10,818,539
14 November 2024	Issue of Shares- Share Purchase Plan	23,160,916	$0.080	1,852,952
27 November 2024	Issue of Shares – Institutional placement	27,500,000	$0.080	2,200,000
30 June 2025	Cancellation of paid up capital (note 15b)	-	$0.000	(11,329,545)
	Transaction costs related to issue of share capital	-	$0.000	(864,690)
30 June 2025	**Balance as at 30 June 2025**	**1,087,437,633**		**112,048,298**

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.

b) Capital Reduction

On 30 June 2025, Percheron Therapeutics Limited reduced it share capital by $11,329,545 in accordance with section 258F of the *Corporations Act 2001*, reducing accumulated losses associated with ATL1103 and ATL1101 deemed to be of a permanent nature by the same amount.

After a strategic review of the Company's pipeline during the year Percheron Therapeutics announced that ATL 1103 would be discontinued. Development by the Company of ATL1101 ceased in 2011 as previously announced.

There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied, and there is no change in the net asset position of the Company. There is also no impact on the availability of the Company's tax losses from this capital reduction.

The losses deemed to be of a permanent nature were as follows:

Year ended 30 June	Opening retained earnings	2024	Total
		000's	000's
Research and development activities – ATL1103	11,125,637	34,908	11,160,545
Research and development activities – ATL 1101	169,000	-	169,000
Total	**11,294,637**	**34,908**	**11,329,545**

Note 16: Reserves

The option reserve:

	2025	2024
	$	$
Share-based payments reserve	1,622,634	1,722,286

Nature and Purpose of Reserve

The option reserve recognises the value from the issue of options over ordinary shares and the expense recognised in respect of share based payments.

Note 16: Reserves *continued*

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	AUD $	Number of Options
Balance at 1 July 2024	1,722,286	107,576,886
Options Expired	(1,655,550)	(101,886,688)
Options Issued	1,555,898	133,766,276
Balance at 30 June 2025	**1,622,634**	**139,456,276**

Note 17: Commitments

As at 30 June 2025, the Company had contractual commitments of $0.90 million (2024: $10.3 million) in relation to the closure of the Phase IIb trial in Duchenne Muscular Dystrophy.

On 25 June 2025 the Company signed a worldwide exclusive license agreement with Hummingbird Bioscience for HMBD-002. Under the agreement the Company will pay Hummingbird an upfront amount of USD $3.0 million, contingent milestone payments of up to USD $287 million plus royalties on net sales of the product. The initial payment will be in two tranches with USD $2.0 million payable within 20 days of the start date while the balance is due within 20 days of Hummingbird supplying to the Company the HMBD-002 drug substance.

Note 18: Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the management team in assessing performance and determining allocation of the resources.

The operating segments are identified by management based on the manner in which the expenses are incurred, and for the purpose of making decisions about resource allocation and performance assessment.

Discrete financial information about each of these operating segments is reported by the executive management team to the board on a regular basis.

During the period, the Company reported on the following two operating segments :

- ATL1102 and
- ATL1103

The assets and liabilities of the Company are not allocated to a segment.

All revenue and other income and expenses that do not directly relate to these two operating segments have been currently reported as unallocated.

30 June 2025	ATL1102	ATL1103	Total Segments	Unallocated	Total Segments & Unallocated
	$	$		$	$
Revenue	1,429,962	-	1,429,962	371,094	1,801,056
Operating Expenses	(10,670,026)	(28,326)	(10,698,352)	(6,024,617)	(16,722,969)
Segment Results	**(9,240,064)**	**(28,326)**	**(9,268,390)**	**(5,653,523)**	**(14,921,913)**

30 June 2025

30 June 2024	ATL1102	ATL1103	Total Segments	Unallocated	Total Segments & Unallocated
	$	$		$	$
Revenue	2,352,001	-	2,352,001	616,176	2,968,177
Operating Expenses	(9,847,572)	(34,908)	(9,882,480)	(5,004,920)	(14,887,400)
Segment Results	**(7,495,571)**	**(34,908)**	**(7,530,479)**	**(4,388,744)**	**(11,919,223)**

Unallocated breakdown	2025 $	2024 $
Interest from external parties	371,094	615,476
Other Income	-	700
	371,094	**616,176**
Business Development expenses	(253,720)	(1,375,928)
Compliance expenses	(885,934	(443,765)
Employee expenses	(2,274,004)	(1,910,585)
Patent expenses	(167,283)	(62,146)
Share based payments	(1,555,898)	(198,398)
Other expenses	(887,778)	(1,014,098)
	(6,024,617)	**(5,004,920)**

Note 19. Cash Flow Information

Reconciliation of net loss after tax to net cash flows from operations:

	2025 $	2024 $
Net loss before tax	**(14,921,913)**	**(11,919,223)**
Depreciation expense (inc Leased Assets)	67,977	79,425
Share-based payments	1,555,898	198,398
Reduction in rental deposit		
Loss of disposal of assets	1,827	-
Movement in trade and other receivables	969,598	(832,359)
Movement in prepayments	(612,135)	28,191
Movement in trade and other payables	(2,604,956)	2,382,207
Movement in other current assets	-	28,191
Movement in provisions	(99,608)	(80,683)
	(15,643,312)	**(10,115,853)**

Note 20: Events After the Reporting Period

On 10 July 2025 the Company paid USD $2.0 million (AUD $3.08 million) to Hummingbird Bioscience in accordance with the worldwide exclusive license agreement signed on 25 June 2025. Under the agreement the Company will pay Hummingbird an upfront amount of USD $3.0 million, contingent milestone payments of up to USD $287 million plus royalties on net sales of the product. The upfront payment will be made in two tranches with USD $2.0 million payable within 20 days of the start date of the agreement, while the balance of USD $1 million is due within 20 days of Hummingbird supplying to the Company the HMBD-002 drug substance.

Note 21: Related Party Transactions

Key Management Personnel

The following are identified as Key Management Personnel for the year:

- Dr Charmaine Gittleson
- Dr James Garner
- Dr Ben Gil Price
- Ms Deborah Ambrosini
- Dr George Tachas (retired 7 March 2025)
- Dr Anthony Filippis (resigned 20 December 2024)

Transactions with related parties

There was no related party transaction during the year.

Note 22: Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables:

	2025 $	2024 $
Cash and cash equivalents	10,167,856	11,866,659
Trade and other receivables	152,560	216,490
Trade and other payables	(2,244,456)	(4,865,780)

The fair values of cash and short-term deposits, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company does not have any derivative instruments at 30 June 2025 (2024: Nil).

Risk Management Policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the Company's implementation of that system on a regular basis.

The Board and Senior Management identify the general areas of risk and their impact on the activities of the Company, with Management performing a regular review of:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- if appropriate, determine:
  - (i) any inadequacies of the current approach; and
  - (ii) possible new approaches that more efficiently and effectively address the risk.

Management report risks identified to the Board through the Operations Report at Board Meetings and periodically via direct communication as relevant risks are identified.

The Company seeks to ensure that its exposure to undue risk which is likely to impact its financial performance, continued growth and survival is minimised in a cost effective manner.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Company's constitution.

The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising contributed equity, reserves and accumulated losses disclosed in Notes 15 and Note 16. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the Board by the Company's Management the Board monitors the need to raise additional equity from the equity markets.

Financial Risk Management

The main risks the Company is exposed to through its operations are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

Interest Rate Risk

The Company is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Company's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

To manage interest rate risk, the Company locks a portion of the Company's cash and cash equivalents into term deposits. The maturity of term deposits is determined based on the Company's cash flow forecast.

Interest rate risk is considered when placing funds on term deposits. The Company considers the reduced interest rate received by retaining cash and cash equivalents in the Company's operating account compared to placing funds into a term deposit. This consideration also takes into account the costs associated with breaking a term deposit should early access to cash and cash equivalents be required.

The Company's exposure to interest rate risk and the weighted average interest rates on the Company's financial assets and financial liabilities is as follows:

30 June 2025

30 June 2025	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate within Year $	Fixed Interest Rate 1 to 5 Years $	Fixed Interest Rate over 5 Years $	Non-Interest Bearing $	Total $
Cash & cash equivalents	4.10	617,856	9,550,000	-	-	-	10,167,856

30 June 2024	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate within Year $	Fixed Interest Rate 1 to 5 Years $	Fixed Interest Rate over 5 Years $	Non-Interest Bearing $	Total $
Cash & cash equivalents	4.20	366,659	11,500,000	-	-	-	11,866,659

There has been no change to the Company's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2025 and 2024.

The Company has conducted a sensitivity analysis of the Company's exposure to interest rate risk. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. The analysis shows that if the Company's interest rate was to fluctuate as disclosed below and all other variables had remained constant, then the interest rate sensitivity impact on the Company's profit after tax and equity would be as follows:

	(Higher) / Lower 2025	(Higher) / Lower 2024
2025: + 1% (2024: +1%)	101,679	118,667
2025: -1% (2024: -1%)	(101,679)	(118,667)

Foreign Currency Risk

The Company is exposed to foreign currency risk via the trade and other receivables and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company aims to take a conservative position in relation to foreign currency risk hedging when budgeting for overseas expenditure however; the Company does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing, due to the reliance on activities carried out by overseas entities and their billing cycle.

The following financial assets and liabilities are subject to foreign currency risk:

	2025 $	2024 $
Trade and other payables (AUD/USD)	22,865	1,509,754
Trade and other payables (AUD/GBP)	6,939	72,471
Trade and other payables (AUD/EUR)	14,736	252,526

Foreign currency risk is measured by regular review of our cash forecasts, monitoring the dollar amount and currencies that payment are anticipated to be paid in. The Company also considers the market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by Management to be too high, then Management has authority to take steps to reduce the risk.

The Company conducts some activities outside of Australia which exposes it to transactional currency movements, where the Company is required to pay in a currency other than its functional currency.

There has been no change in the manner the Company manages and measures its risk in the year ended 30 June 2025 and 2024.

Note 22: Financial Instruments *continued*

Foreign Currency Risk *continued*

The Company is exposed to fluctuations in United States dollars, Euros, and Great British Pounds. Analysis is conducted on a currency by currency basis using sensitivity variables.

The Company has conducted a sensitivity analysis of the Company's exposure to foreign currency risk. The sensitivity analysis variable is based on the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rates at each reporting date. The analysis shows that if the Company's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Company's loss after tax and equity would be as follows:

	(Higher) / Lower 2025	(Higher) / Lower 2024
AUD/USD: 2025: +3.3% (2024: +5.9%)	101,804	89,076
AUD/USD: 2025: -3.3% (2024: -5.9%)	(101,804)	(89,076)
AUD/GBP: 2025: +4.3% (2024: +3.1%)	298	2,247
AUD/GBP: 2025: -4.3% (2024: -3.1%)	(298)	(2,247)
AUD/EUR: 2025: +4.8% (2024: +5.5%)	707	13,889
AUD/EUR: 2025: -4.8% (2024: -5.5%)	(707)	(13,889)

Credit Risk

The Board believes that the Company does not have significant credit risk or expected credit losses at this time in respect of its trade and other receivables.

Liquidity Risk

The Company is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Company's Management at Board meetings to ensure that the Company continues to be able to meet its debts as and when they fall due. Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the associated commitments. The Board considers when reviewing its undiscounted cash flow forecasts whether the Company needs to raise additional funding from the equity markets.

(i) Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
30 June 2025							
Trade and other payables	2,005,315	239,141	-	-	-	2,244,456	2,244,456
Lease Liabilities	15,183	10,682	-	-	-	25,865	25,865
Total	**2,020,498**	**249,823**	**-**	**-**	**-**	**2,270,321**	**2,270,321**
30 June 2024							
Trade and other payables	4,865,780	-	-	-	-	4,865,780	4,865,780
Lease Liabilities	20,264	20,264	-	-	-	40,528	40,528
Total	**4,886,044**	**20,264**	**-**	**-**	**-**	**4,906,308**	**4,906,308**

Consolidated Entity Disclosure Statement

* Disclosure of subsidiaries and their country of tax residency, as required by the *Corporations Act 2001*, does not apply to the company as the company is not required by accounting standards to prepare consolidated financial statements.

Directors' Declaration

30 June 2025

In accordance with a resolution of the Directors of Percheron Therapeutics Limited, we state that:

1. In the opinion of the Directors:
   - the financial statements and notes of Percheron Therapeutics Limited for the financial year ended 30 June 2025 are in accordance with the *Corporations Act 2001,* including:
     - **(i)** giving a true and fair view of the entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
     - **(ii)** complying with Accounting Standards and the *Corporations Regulations 2001;*
   - the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.c;
   - 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
   - the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act* is true and correct.
2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial Year Ended 30 June 2025.

On behalf of the Directors,
Signed in accordance with a resolution of the Directors,

Dr Charmaine Gittleson
Non-Executive Chair

Dr James Garner
Managing Director/CEO

28 August 2025

Independent Auditor's Report

WilliamBuck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of Percheron Therapeutics Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Percheron Therapeutics Limited (the Company), is in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

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

What was audited?

We have audited the financial report of the Company, which comprises:

- the statement of financial position as at 30 June 2025,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- 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 are independent of the Company 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.

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

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williambuck.com.au

WilliamBuck
ACCOUNTANTS & ADVISORS

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of $14,921,913 and net operating cash outflows of $15,643,312 during the year ended 30 June 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of the current period. These 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

	Area of focus (refer also to notes 1 & 11)	**How our audit addressed the key audit matter**
R&D Tax Incentives	Under the research and development (R&D) tax incentive scheme, the refundable R&D tax offset is the Company's corporate tax rate plus an 18.5% premium. A registration of R&D Activities Application is filed with AusIndustry in the following financial year and, based on this filing, the Company receives the incentive in cash. Management performed a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation. For the year ended 30 June 2025, the R&D amount claimed is $1.43 million. The process of calculating the R&D tax rebate and receivable balance requires judgement and specialised knowledge in identifying eligible expenditure, which gives rise to anticipated R&D tax incentives. Balances in relation to R&D tax incentives are therefore considered to be a key audit matter.	Our audit procedures included: — Obtaining the 30 June 2025 R&D rebate calculations prepared by management and performing the following procedures: — Assessing the qualifications of managements independent expert engaged to review managements calculations; — Developing an understanding of the model, identifying and assessing the key assumptions in the calculation; — Testing included expenditure for reasonableness against the eligibility criteria; — Testing the mathematical accuracy of the balance; and — Comparing the estimates made in previous years to the amount of cash received after lodgement of the R&D tax claim. Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standard

William Buck
ACCOUNTANTS & ADVISORS

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/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Percheron Therapeutics Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director
Melbourne, 28 August 2025

WilliamBuck
ACCOUNTANTS & ADVISORS

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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, 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.

Other matter

The financial report of the Company, for the year ended 30 June 2024, was audited by another auditor who expressed an unmodified opinion on that report on 29 August 2024. The unmodified opinion included a paragraph in respect of material uncertainty related to going concern.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company 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 this financial report.

Shareholder Information

The shareholder information set out below was applicable as at 15 August 2025

Equity Security Holders

Ordinary Shares

1,087,437,633 fully paid ordinary shares are held by 3,007 individual shareholders. All ordinary shares carry one vote per share.

Distribution of Quoted Security Holders

Holdings Ranges	Holders	Total Units	%
1-1,000	81	15,744	0.000
1,001-5,000	100	344,105	0.030
5,001-10,000	335	2,886,363	0.270
10,001-100,000	1,611	66,416,258	6.110
100,001 +	880	1,017,775,163	93.590
Totals	**3,007**	**1,087,437,633**	**100.000**
Unmarketable parcels (under $500)	1,705	35,732,214	3.285

Unquoted Securities

The number of unquoted securities on issue as at 15 August are as follows:

	No. of holders	No. on issue
Director options exercisable at 6.1c on or before 30 June 2028	1	3,000,000
Director options exercisable at 7c on or before 7 August 2028	1	6,690,000
Employee share options exercisable at 8.3c on or before 4 July 2029	5	4,600,000
Director options exercisable at 8.3c on or before 4 July 2029	2	6,000,000
Unquoted options exercisable at 26c on or before 28 November 2029	1	4,036,487
Unquoted options exercisable at 39c on or before 28 November 2029	1	4,036,487
Unquoted options exercisable at 52c on or before 28 November 2029	1	4,036,486
Unquoted options exercisable at 3.5c on or before 20 May 2028	3,128	107,056,816
Total		**139,456,276**

Twenty Largest Ordinary Shareholders

	Shareholders	Balance	%
1	CITICORP NOMINEES PTY LIMITED	75,135,889	6.909
2	DR JAMES STUART GARNER	52,500,000	4.828
3	NON CORRELATED CAPITAL PTY LTD <INVESTIUS PB MICRO CAP A/C>	50,000,000	4.598
4	POWERHOUSE VENTURES LIMITED	46,707,181	4.295
5	MR GLEN CORBY BULL	42,000,000	3.862
6	MUTUAL INVESTMENTS PTY LTD <MITCHELL FAMILY A/C>	35,393,981	3.255
7	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	26,307,270	2.419
8	MR SIDDHARTHA KANTICHAND DHADHA	19,500,000	1.793
9	MUTUAL INVESTMENTS PTY LTD <THE MITCHELL SUPER FUND A/C>	15,350,000	1.412
10	MR DALE ANTHONY REED	15,050,000	1.384
11	JAMPLAT PTY LTD	14,999,000	1.379
12	CITYCASTLE PTY LTD	12,183,036	1.120
13	MR COLIN WILLIAM MACLEOD & MRS LINDA ELIZABETH MACLEOD <MACLEOD SUPER FUND A/C>	10,700,000	0.984
14	SHAH NOMINEES PTY LTD <LOUIS CARSTEN SUPER FUND A/C>	10,000,000	0.920
15	SHAH NOMINEES PTY LTD	10,000,000	0.920
16	MIKADO CORPORATION PTY LTD <JFC SUPERANNUATION A/C>	10,000,000	0.920
17	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	9,584,204	0.881
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,542,111	0.786
19	MR ROBERTSON MCLENNAN MITCHELL & MRS KAREN JOY MITCHELL	8,455,319	0.778
20	MRS MARGARET ANN RYAN & MR MICHEAL RODNEY RYAN	8,000,000	0.736

Unquoted Equity Securities Holdings Greater Than 20%

Nil

Substantial Shareholders

The names of substantial shareholders the Company is aware of from the register or who have notified the Company in accordance with Section 671B of the *Corporations Act* are:

	No. of Shares
MUTUAL INVESTMENTS PTY LTD	59,199,300

On-market purchases

No securities were purchased on-market for the purpose of an employee incentive scheme or to satisfy the entitlements of security holders to acquire securities granted under an employee incentive scheme during FY25.

Voting Rights

The voting rights attaching to each ordinary share are that holders of ordinary shares have the right to vote at every general meeting of the Company. At a general meeting every holder of ordinary shares present in person or by proxy has, on a poll, one vote for each ordinary share held.

Securities Exchange

Percheron Therapeutics Limited shares are listed on the Australian Stock Exchanges (ASX), Frankfurt Stock Exchange (FSE:AWY) and the US OTC Markets (PERCF).

Corporate Information

ABN 41 095 060 745

DIRECTORS

Dr Charmaine Gittleson (Appointed: 22 March 2021)
Independent Non-Executive Chair

Dr Ben Gil Price (Appointed: 4 October 2021)
Independent Non-Executive Director

Dr James Garner (Appointed: 8 May 2023)
Managing Director

COMPANY SECRETARY

Ms Deborah Ambrosini
Company Secretary and Chief Financial Officer

REGISTERED OFFICE

Level 30, Collins Place,
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Victoria 3000
Australia
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PRINCIPAL PLACE OF BUSINESS

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Victoria 3000
Australia
Telephone: +61 (0)3 9827 8999
Facsimile: +61 (0)3 9859 7701

SHARE REGISTER

Boardroom Pty Ltd
Level 8,
225 George Street,
Sydney NSW 2000
Australia
Telephone: 1300 737 760

Percheron Therapeutics Limited shares are listed on the
Australian Stock Exchange (PER)
Frankfurt Stock Exchange (FSE:AWY)
US OTC Markets (PERCF)

SOLICITORS

Minter Ellison
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447 Collins Street,
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Australia

BANKERS

Commonwealth Bank of Australia
Melbourne Victoria

AUDITORS

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