

26 October 2020

Notice to Ineligible Retail Shareholders

Announcement

PYC Therapeutics Limited (ASX: PYC) ('The Company' or 'PYC') wishes to advise that it has today dispatched the following Notice to Ineligible Retail Shareholders.

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

Not for release to US wire services or distribution in the United States

ENDS For further information, please contact:

INVESTORS

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CBO
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About PYC Therapeutics

PYC Therapeutics (ASX: PYC) is a drug development company solving a major challenge in the development of a revolutionary new class of drugs – delivering large drugs into cells. Cell Penetrating Peptides (CPPs) can overcome 'the delivery challenge' and provide access for a wide range of potent and precise drug 'cargoes' to the 'undruggable genome' – the highest value drug targets that exist inside cells. PYC Therapeutics is using its CPP platform to develop a pipeline of novel therapies with an initial focus on inherited retinal diseases.

Forward looking statements

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

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

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PYC Therapeutics Limited

ACN 098 391 961

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Dear Shareholder

**PYC Therapeutics Limited ACN 098 391 961 – Accelerated non-renounceable entitlement offer
Notice to Ineligible Retail Shareholders**

On 20 October 2020, PYC Therapeutics Limited (ASX:PYC) (**PYC** or the **Company**) announced a pro-rata accelerated non-renounceable entitlement offer to eligible shareholders, on the basis of 1 new fully paid ordinary share (**New Share**) for every existing 10 shares held, at an issue price of A\$0.17 (the **Entitlement Offer**) alongside a placement at the same issue price (the **Placement**) to raise up to approximately A\$55 million (collectively, the **Equity Raising**). Neither the Entitlement Offer nor the Placement is underwritten.

The Entitlement Offer is being made without a prospectus or disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument**).

The Entitlement Offer consists of an entitlement offer to eligible institutional shareholders (**Institutional Entitlement Offer**), and an entitlement offer to eligible retail shareholders (**Retail Entitlement Offer**).

The Institutional Entitlement Offer was conducted between 20 October 2020 and 21 October 2020, with the results announced on the ASX on 22 October 2020. The Institutional Entitlement Offer and Placement have raised approximately A\$35.2 million already (before costs). The Retail Entitlement Offer may raise up to a further ~A\$19.6 million for the Company. New Shares issued under the Institutional Offer and the Placement are anticipated to settle on 27 October 2020 and commence trading on the ASX on 28 October 2020.

New shares will rank equally in all respects with PYC's existing shares. If an eligible shareholder's entitlement results in a fraction of a new share, the shareholder's entitlement will be rounded up to the nearest whole number.

An offer booklet for the Retail Entitlement Offer (**Retail Offer Booklet**) will be lodged with ASX and mailed to Eligible Retail Shareholders on or around 26 October 2020.

Eligibility Criteria

"Eligible Retail Shareholders" are shareholders who:

- are a registered as a holder of ordinary shares in the Company as at 7.00pm (Sydney time) on Thursday 22 October 2020 (**Record Date**);
- have a registered address in Australia or New Zealand on the Company's share register;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders (**Ineligible Retail Shareholders**).

The restrictions upon eligibility under the Entitlement Offer arise because of legal and regulatory requirements in countries other than those listed above and the potential costs to the Company and complexity of complying with these legal and regulatory requirements compared to the relatively small number of shareholders in those countries, the relatively small number of existing Company shares they hold and the relatively low value of the New Shares to which those shareholders would otherwise be entitled.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporation Act as modified by the ASIC Instrument, that it would be unreasonable to make or extend offer to shareholders in certain countries under the Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria above for an Eligible Retail Shareholder and accordingly you are an Ineligible Retail Shareholder and the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, the Entitlement Offer will not be extended to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the offer document relating to the Retail Entitlement Offer.

Nominee

The Company has appointed Bell Potter Securities Limited (**Nominee**) to act as a nominee for the purposes of section 615 of the Corporations Act and ASX Listing Rule 7.7.1, who will arrange for the sale of new shares under the Entitlement Offer which would otherwise have been available to Ineligible Retail Shareholders and remit any net proceeds (ie sale proceeds less brokerage and costs) from the sale of those shareholders. There is no guarantee that any proceeds will be realised from the sale of the entitlements that would otherwise have been offered to Ineligible Retail Shareholders.

ASIC has approved the Nominee's appointment by the Company for the purposes of section 615(a) of the Corporations Act.

No action required

This notice is to inform you about the Retail Entitlement Offer and explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This notice is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter.

On behalf of the Board and management of the Company, we regret that you are not eligible to participate in the Retail Entitlement Offer but thank you for your ongoing support of the Company.

Further Information

If you have any questions in relation to the above, please contact the Company's share registry, Atomic Group, on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) +61 2 9698 5414, Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

Yours sincerely

Dr Rohan Hockings
Chief Executive Officer

Not an offer of securities

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.