QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Melbourne, Australia – 31 January 2024: Percheron Therapeutics Limited, an international biotechnology company focused on the development of novel therapies for rare diseases, is pleased to provide an update on the Company's significant progress during the quarter ended 31 December 2023.

Key Points

- **Antisense Therapeutics Limited has become Percheron Therapeutics Limited**. Following approval by the company's shareholders at the Annual General Meeting in November 2023, the Company has changed its name to Percheron Therapeutics Limited.

- **ATL1102 phase IIb clinical trial continues to progress well.** Recruitment has accelerated in the December quarter, and a fifth country has been added to the study.

- **ATL1102 9-month toxicology study completes dosing**. The study is expected to read out mid-2024.

- **Phase IIa data published in peer-reviewed scientific journal**. The publication of this data in the leading journal, *PLoS ONE*, is expected to greatly assist in raising awareness of ATL1102 and its potential in the treatment of Duchenne muscular dystrophy.

- **Abstracts accepted for upcoming scientific conference.** Percheron has had three abstracts accepted for the upcoming Annual Meeting of the Muscular Dystrophy Association in Orlando, FL, from 3 – 6 March 2024.

- **'Unmarketable Parcels' facility completed.** The facility resulted in the sale of 2,238,910 shares of the company's stock, held by 632 shareholders.

"We continue to make excellent progress on all fronts," commented Percheron CEO, Dr James Garner. "Recruitment to the international phase IIb study of ATL1102 in Duchenne muscular dystrophy has accelerated during recent months, and we remain optimistic of completing recruitment in the first quarter of calendar 2024. Alongside execution of the clinical trial, the team has been carefully reviewing the regulatory dossier for ATL1102 to identify both opportunities and gaps that may be relevant to future regulatory discussions. In addition, the recent JP Morgan Healthcare Conference provided rich opportunities to discuss the program with potential future partners, and we look forward to continuing those discussions over coming months."

Change of Company Name

At the Annual General Meeting in November 2023, shareholders voted to change the name of the Company from Antisense Therapeutics Limited to Percheron Therapeutics Limited[1]. The Company subsequently received approval from the Australian Securities and Investments Commission (ASIC) in December 2023, and from the Australian Securities Exchange (ASX) in January 2024. As a result, the new name is now in effect.

The Company's Australian Business Number (ABN), place of business, Board of Directors, management team, ownership, and other key details remain unchanged. The email address for general enquiries is now info@PercheronTx.com. The Company expects to update its website and to launch new branding collateral and investor relations initiatives in coming months.

Serbia Joins ATL1102 Phase IIb Study

The ongoing international phase IIb clinical trial of ATL1102 in Duchenne muscular dystrophy continues to proceed substantially according to plan. To date, a total of 20 patients have been randomised and are receiving study medication. The majority of sites are open to recruitment, and more than a dozen patients are currently being evaluated for potential participation.

In January 2024, Percheron opened two additional sites in Serbia, making it the fifth country to join the study. The new sites are the Institute for Mother and Child Health Care of Serbia, and the University Children's Clinic, both in Belgrade. Serbia had originally been considered as a participating country but was not selected to participate due to long regulatory approval timelines. Percheron has worked assiduously with Serbian clinicians, with local patient advocacy groups, and with Parexel, its CRO, to expedite the process, and has been able to open the country to recruitment in just three months. It is expected that the new sites will further accelerate recruitment efforts over coming months.

The independent Data Safety Monitoring Board (DSMB) continues to review emerging safety data from the study on a regular basis. No significant concerns have been noted to date, and no patients have withdrawn from the study. The earliest patients recruited have successfully transitioned into the open-label extension phase of the study, where they will receive an additional six months of treatment with ATL1102.

At this stage, the Company reiterates its prior guidance of last patient in (LPI) by the end of 1Q CY2024. The team will be working diligently with sites and with its vendors to accomplish this goal, and the Company will continue to provide periodic updates to shareholders.

[1] https://www.antisense.com.au/wp-content/uploads/2023/11/231115-Results-of-Annual-General-Meeting.pdf

ATL1102 9-Month Toxicology Study Completes Dosing

In March 2023, the Company commenced dosing in a 9-month GLP toxicology study in non-human primates[2]. The study had previously been indicated by FDA as a prerequisite for administration of ATL1102 to humans for periods greater than six months. The study has been conducted by Pharmaron, a leading contract research organisation with specific experience in toxicology studies.

The study completed dosing as planned in December 2023. A number of animals will now be subject to a 'recovery period,' designed to establish whether any effects seen with ATL1102 administration revert to normal on cessation of treatment. The animals will then be subject to pathological analysis to fully assess the effects of ATL1102. The Company expects to receive a final study report in mid-2024 and expects to discuss the results with FDA thereafter. Successful completion of the study may allow Percheron to apply in future for special designations with FDA such as Fast Track Designation and Breakthrough Designation.

Phase IIa Study Published in Peer-Reviewed Journal

Post period, in January 2024, the final results of the phase IIa study of ATL1102 in Duchenne muscular dystrophy were published in the journal *PLoS ONE*.

The study recruited nine boys with Duchenne muscular dystrophy and was conducted at the Royal Melbourne Hospital in Melbourne, VIC. All patients were 'non ambulant', meaning that their disease had progressed to the stage where they were essentially wheelchair-bound.

The primary endpoint of the study was safety and tolerability. In general, treatment with ATL1102 at a dose of 25mg was well tolerated and no patients were withdrawn from the study. The most common adverse event was injection site reactions.

The study examined a broad range of efficacy outcomes as secondary endpoints. Of note, the Power in the Upper Limb 2.0 (PUL2.0) score showed stabilisation and even modest improvement over the course of the study, with an increase of 0.9 points (95% CI: -1.33 – 3.11), comparing favourably to an analysis of matched historical controls which exhibited a deterioration of 2.0 points (95% CI: -2.95 – -1.05) over the same period. While comparisons with historical datasets are always complex to interpret, the results provide a highly encouraging basis on which to take ATL1102 into further development.

The paper is available via the following link:

https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0294847

[2] https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02643085-3A614777

Abstracts Accepted for International Scientific Conference

The Company has been pleased to learn that it has had three abstracts accepted to the Muscular Dystrophy Association Annual Meeting, to be held in Orlando, FL, from 3 – 6 March 2024. The abstracts relate to the Percheron's lead development candidate, ATL1102. The Company expects to share further information at or around the time of the conference, in accordance with its disclosure and embargo policies.

Completion of Unmarketable Parcels Facility

On 9 October 2023, the Company announced the launch of an 'unmarketable parcels' facility whereby shareholders holding fully-paid ordinary shares in the Company to the value of less than $500 (an 'unmarketable parcel') could sell the shares without incurring brokerage or other costs[3].

Based on the closing price at 6 October 2023, a holding of less than 7,143 shares constituted an unmarketable parcel.

The facility closed on 27 November 2023. In total, 2,238,910 shares, held by 632 shareholders, were sold[4]. The Company was able to negotiate their sale to an existing institutional investor, and proceeds were remitted to holders in December 2023.

Financial Position

As noted in the accompanying unaudited quarterly cashflow report, the Company closed the December quarter with a cash balance of $17.2 million, versus $19.0 million at the end of the previous quarter.

During the quarter the Company made payments to related parties of the entity and their associates as disclosed in Item 6 of the Appendix 4C amounting to approximately $173,000. The payments are related to salaries, directors' fees, and consulting fees on normal commercial terms.

Based on a forward-looking cashflow forecast, the Company projects cash runway into CY2025.

~ ENDS ~

[3] https://www.antisense.com.au/wp-content/uploads/2023/10/ANP-231009-Launch-of-Share-Sale-Facility-for-Unmarketable-Parcels.pdf
[4] https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02745806-3A631834

About Percheron Therapeutics Limited

Percheron Therapeutics Limited [ASX: PER | US OTC: ATHJY | FSE: AWY] is a publicly listed biotechnology company focused on the development and commercialisation of novel therapies for rare diseases. The company's lead program is ATL1102, an antisense oligonucleotide targeting the CD49d receptor. ATL1102 is currently the subject of an ongoing international phase IIb clinical trial for the treatment of non-ambulant patients with Duchenne Muscular Dystrophy (DMD), for which data is expected in 2H CY2024. The drug has previously reported promising results from an exploratory phase IIa study in the same population and has been awarded orphan drug designation (ODD) and rare pediatric disease designation (RPDD) by the US FDA.

For more information, please contact info@PercheronTx.com.

This announcement has been authorized for release to the Australian Securities Exchange by the Board of Directors.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Percheron Therapeutics Limited	
ABN	**Quarter ended ("current quarter")**
41 095 060 745	31 December 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(1,132)	(2,975)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(33)	(79)
	(d) leased assets	(26)	(53)
	(e) staff costs	(534)	(1,020)
	(f) administration and corporate costs	(566)	(1,125)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	200	308
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	62	107
1.9	**Net cash from / (used in) operating activities**	**(2,029)**	**(4,837)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,612
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(548)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(1)**	**11,064**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	19,224	10,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,029)	(4,837)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	11,064
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**17,194**	**17,194**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	694	224
5.2	Call deposits	16,500	19,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**17,194**	**19,224**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	173
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	**(2,029)**
8.2	Cash and cash equivalents at quarter end (item 4.6)	17,194
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	17,194
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	8

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.