19 February 2025

From the Chair of the Board of Directors

Dear Shareholder,

Although it is not our usual practice to accompany the half-year report with a Board communication, I thought it important under the circumstances to add some general comments to the accompanying financial statements.

It would be an understatement to note that the last two months have been an exceptionally challenging period for Percheron and its shareholders. The negative data read-out from the avicursen (ATL1102) phase IIb trial in December, and the consequent decline in our share price, have provided an unwelcome reminder that drug development is a high-risk undertaking. I have spoken to many shareholders since then, and the sense of disappointment is, at times, understandably almost overwhelming.

The company recently presented the full results of the study, up to the time of its termination. At the risk of over-simplifying complex scientific data, I think the conclusion is simply that avicursen 'works' in a pharmacological sense, but its activity is insufficient to meaningfully change the outcome of the disease. This is, alas, a common point of failure in drug development, and one that is almost impossible to anticipate – only in the complexity of the human organism, and in the rigorous environment of a well-conducted, randomised, controlled trial, do we learn for sure how effective medicines may be.

Even unsuccessful experiments teach us things, and the avicursen story will no doubt provide useful lessons to the Duchenne community, as it has to those of us in Percheron. We very much hope that others will have better fortune in treating this devastating disease, and we are determined that Percheron will rebound from this episode as a stronger and more robust business.

That brings us to a discussion of the company's future. At the time of writing, we are evaluating the remaining potential in avicursen and its sister drug, atesidorsen (ATL1103). We need to make sure that we don't discard valuable intellectual property prematurely, but we also need to make sure that we are investing our shareholders'

capital as wisely as possible. I expect that we will reach a determination on these programs by the end of March.

Regardless of these conclusions, the Board has been conscious for some time of the company's need to diversify its portfolio. Those efforts have been ongoing for the past year but have increased considerably in intensity since the trial results were announced on 18 December. We have been looking for promising drug candidates where we can rapidly add value, and which will attract investors back to the company. I am pleased to report that we have evaluated a broad range of opportunities and identified some promising candidates that we may be able to acquire or license.

These efforts have required every ounce of experience and technical expertise that the Board possesses, but I am proud of the way we have worked together to rapidly separate the most promising opportunities from those which have little to offer. We still have work to do, but I am highly optimistic that we will soon be able to announce some positive news on this topic.

Shareholders have asked me what I see as the future of the company. My answer is that I see a path forward in which our resilience, and the responsible, transparent conduct of the company, translate into shareholder value and result in a positive contribution to the lives of people confronting the most challenging illnesses in modern medicine. We have a team respected for its deep scientific understanding, and for its proficiency in the art of drug development, and we have created an environment in which the most capable employees can come together with a shared sense of purpose.

I very much hope that our shareholders can continue to see these things too, because the potential for us to build a tremendously valuable organisation, while temporarily slowed, remains ultimately undimmed by recent events. My hope is that, in a future correspondence such as this one, not too long from now, we can look back on this chapter in the company's long history and note how far we have come.

I want to acknowledge the huge efforts of my fellow non-executive director, Dr Gil Price, and I also want to pay tribute to our CEO, Dr James Garner, and his management team, who have been working tirelessly since December to stabilise and rebuild the company. Each of us looks forward to sharing progress with you in coming months.

Dr Charmaine Gittleson
Chair of the Board

Percheron Therapeutics Limited
Appendix 4D | Half-Year Report

1. Company details

Name of entity:	Percheron Therapeutics Limited
ABN:	41 095 060 745
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for Announcement to the Market

The results of Percheron Therapeutics Limited for the half-year ended 31 December 2024 are as follows:

		% change	$
Loss from ordinary activities after tax attributable to the owners of Percheron Therapeutics Limited	Up	280% to	(8,535,887)
Loss for the half-year attributable to the owners of Percheron Therapeutics Limited	Up	280% to	(8,535,887)

The above result needs to be read in conjunction with the Company's 31 December 2024 Half-Year Report.

Explanation of Results

The loss for the Company after providing for income tax amounted to $8,535,887 (31 December 2023: $4,743,323). At 31 December 2024, the Company had cash reserves of $17,388,309.

3. Net Tangible Assets Per Share

	31 December 2024 Cents per share	31 December 2023 Cents per share
Net tangible assets per ordinary security	1.41	1.82

4. Dividends

Current period

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

Previous period

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

5. Status of Review of Accounts

The Appendix 4D is based on accounts which have been reviewed.

Percheron Therapeutics Limited

ABN 41 095 060 745

Interim Financial Report

for the half-year ended 31 December 2024

Contents

Directors' report

The Directors of Percheron Therapeutics Limited ("PER" or "the Company") present their report, together with the financial statements, in relation to the Company for the half-year ended 31 December 2024.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in the office for this entire period unless otherwise stated:

Dr Charmaine Gittleson
Dr James Garner
Dr Ben Gil Price

Principal activities

The principal activity of Percheron Therapeutics Limited during the financial year was the research and development of novel pharmaceutical products for human use. The following report on operations details the research and development activities undertaken by the Company in the period.

Operating results

The loss for the Company after providing for income tax amounted to $8,535,887 (31 December 2023: $4,743,323). This loss is after fully expensing all research and development costs.

At 31 December 2024, the Company had cash reserves of $17,388,309 (30 June 2024: $11,866,659). The net assets of the Company are $15,292,132 as at 31 December 2024 (30 June 2024: $9,363,087).

This report should be read in conjunction with the Company's 30 June 2024 Annual Report.

Review of operations

Avicursen

Avicursen (ATL1102) is an antisense oligonucleotide inhibitor of CD49d, a subunit of VLA-4 (Very Late Antigen-4). Inhibition of VLA-4 expression has demonstrated immunomodulatory activity in a number of animal models of inflammatory disease, including asthma and multiple sclerosis (MS).

Avicursen for Duchenne Muscular Dystrophy (DMD)

During the year, the Company undertook clinical development of ATL1102 in patients with Duchenne Muscular Dystrophy (DMD). DMD is an X-linked genetic disease which is estimated to affect between 1 in 3600 to 1 in 5000 live male births (Bushby et al, 2010). DMD occurs as a result of mutations in the DMD gene which causes a functional defect in, quantitative reduction in, or absence of the protein dystrophin, which is a structural protein found predominantly in muscle tissue. Children with DMD are susceptible to contraction induced muscle injury, which triggers a chronic inflammatory response that causes further damage to muscle tissue (Pinto Mariz, 2015). Ongoing deterioration in muscle function initially affects lower limbs, leading to impaired mobility, and thereafter progresses to upper limbs, leading to further loss of function. Patients typically become wheelchair-dependent in their early teenage years, and respiratory, cardiac and cognitive dysfunction also begin to emerge in this timeframe. Life expectancy is generally considered to be in the mid-twenties. The management of the inflammation associated with DMD is currently via the use of corticosteroids, which have insufficient efficacy and significant toxicity.

Phase IIa Clinical Trial of ATL1102 in DMD

The Company previously conducted an open-label, single-arm, phase IIa pilot study of ATL1102 in nine non-ambulant patients with DMD, aged between 10 and 18 years, at the neuromuscular centre of the Royal Children's Hospital (RCH) in Melbourne, Australia. The RCH operates the largest clinic in the southern hemisphere treating children with DMD. The primary endpoint of the study was safety and tolerability, and these endpoints were met, with the drug shown to be generally non-toxic and well-tolerated. In addition, positive efficacy signals were reported across a range of secondary endpoints, supporting the ongoing clinical development of ATL1102 in DMD. The results of this study were published in a peer-reviewed scientific journal in January 2024 as IR Woodcock et al. (2024) PLoS ONE 19(1): e0294847.

Phase IIb Clinical Trial of ATL1102 in DMD

In June 2023, the Company commenced recruitment to an international phase IIb randomised controlled trial of ATL1102 in the treatment of 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.

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.

Other ATL1102 Development Activities

A murine analogue of avicursen in a mouse model of autoimmune epilepsy showed a reduction in median seizure frequency of 66% for the drug when compared to a saline control. The reduction was statistically significant.

ATL1102 Toxicology Study

In March 2023, the Company commenced a nine (9) month chronic toxicology study of ATL1102 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. Successful completion of the nine-month chronic monkey toxicology study should also allow the Company to apply for expedited program status with FDA including Fast Track or potential Breakthrough Therapy designation.

The study completed dosing in December 2023, as scheduled. Final data was released in September 2024 noting that the results of the study remain broadly consistent with the earlier six-month study, as previously reported by the Company in May 2024 . No new or unexpected toxicities were observed, and no animals died on study. Expected low-grade findings were fully reversible during the recovery period.

ATL1102 Regulatory

US FDA has granted ATL1102 Orphan Drug Designation (ODD) and Rare Pediatric Disease Designation (RPDD) for the treatment of DMD. ODD provides sponsors with certain benefits, including the waiver of PDUFA fees (currently in excess of US$ 3 million) and a period of 7.5 years data exclusivity post-approval for pediatric use in DMD. RPDD allows a sponsor to apply for a pediatric priority review voucher (pPRV) if the drug is approved in the specified pediatric indication in the US. The company has also been granted ODD and pediatric use for ATL1102 in DMD in Europe which provides commercial exclusivity of ATL1102 for 12 years in Europe from approval for ATL1102 in DMD for pediatric use.

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

At 31 December 2024, the Company had cash reserves (including Term Deposits) of $17,388,309 (30 June 2024: $11,866,659) after it successfully raised $14.0m net of capital raising costs during the period.

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 financial statements and directors' report have been rounded off to the nearest dollar, unless otherwise stated.

Events after balance sheet date

On 7 January 2025 the Company announced that it had received notices under S203D(2) and S249D of the *Corporations Act 2001 (Cth)* on behalf of Dale Anthony Reed, Gregory Norman Peters, Robert William Moses, Statemoor Pty Ltd ACN 071 839 097 <Peters SF A/C>, Xcelerate Nominees Pty Ltd ACN 150 841 053 <Xcelerate Super Fund A/C>, David Kenley, XEC Partners Pty Ltd ACN 606 502 649 <XEC Partners A/C>, Xcelerate Trading Pty Ltd ACN 167 205 665 <Xcelerate Trading A/C> and Statemoor Pty Ltd ACN 071 839 097 <Peters Family A/C> (together, the Requisitioning Shareholders) who purport to collectively hold over 5% of the votes that may be cast at a general meeting of the Company. The Requisitioning Shareholders have also provided the Company with a members' statement under Section 249P of the Corporations Act. The Requisitioning Shareholders have requested that the Company propose to Shareholders that the Chair, Dr Charmaine Gittleson and Managing Director, Dr James Garner, be removed as Directors and that Mr Gregory Peters and Mr Gennadi Koutchin be appointed as directors. On 24 January 2025, the Company announced that it would convene a General Meeting on 4 March 2025, to consider these resolutions.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001. Signed in accordance with a resolution of the Directors.

Dr Charmaine Gittleson
Non-executive Chair

19 February 2025

Dr James Garner
Managing Director & CEO

19 February 2025

Auditor's independence declaration

31 December 2024

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 review of Percheron Therapeutics Limited half-year ended 31 December 2024, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

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

A. A. Finnis
Director
Melbourne, 19 February 2025

Half-year financial report

31 December 2024

Statement of profit or loss and other comprehensive income for the half year ended 31 December 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
Revenue			
Other Income	4	151,785	1,200,108
Expenses			
Administration		(1,067,610)	(874,266)
Research and development	5	(6,149,529)	(4,109,488)
Depreciation		(36,124)	(47,405)
Patent		(96,362)	(43,134)
Foreign exchange (losses)		(64,485)	(1,566)
Occupancy		(1,873)	(1,257)
Share-based payments		(427,746)	(107,867)
Corporate employee expenses		(832,917)	(755,830)
Finance costs		(11,026)	(2,618)
Loss before income tax expense		**(8,535,887)**	**(4,743,323)**
Income tax expense/(benefit)		-	-
Loss after income tax expense for the year attributable to the owners of Percheron Therapeutics Limited		**(8,535,887)**	**(4,743,323)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Percheron Therapeutics Limited		**(8,535,887)**	**(4,743,323)**
		Cents	**Cents**
Basic earnings per share	6	(0.92)	(0.66)
Diluted earnings per share	6	(0.92)	(0.66)

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 31 December 2024

	Note	31 Dec 2024 $	30 June 2024 $
Current assets			
Cash and Cash Equivalents		17,388,309	11,866,659
Trade and Other Receivables		342,933	2,568,491
Prepayments		100,830	38,283
Total current assets		**17,832,072**	**14,473,433**
Non-current assets			
Property, Plant and Equipment		18,295	17,701
Right-of-use assets		71,952	39,160
Total non-current assets		**90,247**	**56,861**
Total assets		**17,922,319**	**14,530,294**
Liabilities			
Current liabilities			
Trade and Other Payables		2,292,551	4,865,780
Lease liabilities		72,345	39,874
Employee Benefits		265,291	246,350
Total current liabilities		**2,630,187**	**5,152,004**
Non-current liabilities			
Lease liabilities		-	-
Employee Benefits		-	15,203
Total non-current liabilities		**-**	**15,203**
Total liabilities		**2,630,187**	**5,167,207**
Net Assets		**15,292,132**	**9,363,087**
Equity			
Issued Capital	**8**	123,408,228	109,371,042
Reserves	**9**	2,150,032	1,722,286
Accumulated losses		(110,266,128)	(101,730,241)
Total equity		**15,292,132**	**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 half-year ended 31 December 2024

	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	-	-	(4,743,323)	(4,743,323)
	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(4,743,323)**	**(4,743,323)**
Issue of share capital	11,108,247	-	-	11,108,247
Issue of Options	-	107,867	-	107,867
Options expired	-	(2,478,201)	2,478,201	-
Balance at 31 December 2023	**109,371,042**	**1,631,754**	**(94,554,340)**	**16,448,456**

	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	-	-	(8,535,887)	(8,535,887)
	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(8,535,887)**	**(8,535,887)**
Issue of share capital	14,871,491	-	-	14,871,491
Capital raising expenses	(834,305)		-	(834,305)
Issue of Options	-	427,746	-	427,746
Balance at 31 December 2024	**123,408,228**	**2,150,032**	**(110,266,128)**	**15,292,132**

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

Statement of cash flows
for the half-year ended 31 December 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(10,949,876)	(5,060,847)
R&D Tax Concession refund		2,352,001	-
		(8,608,071)	**(5,060,847)**
Interest received		129,573	317,533
Other revenue		-	-
Interest and other finance costs paid		-	(2,618)
Net cash used in operating activities		**(8,468,302)**	**(4,745,932)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,242)	(6,578)
Net cash used in investing activities		**(7,242)**	**(6,578)**
Cash flows from financing activities			
Proceeds from issue of shares	8	14,871,491	11,611,521
Transactions costs on issue of shares	8	(834,305)	(503,274)
Interest and other finance costs paid		(10,196)	(88,547)
Payment of principal portion of lease liabilities		(29,796)	(41,424)
Net cash from/(used in) financing activities		**13,997,194**	**10,978,276**
Net increase/(decrease) in cash and cash equivalents		5,521,650	6,225,766
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		**17,388,309**	**17,193,025**

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

Notes to the financial statements
31 December 2024

Note 1. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption or amendment during the period did not have a material impact on the financial statements of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The Directors have prepared the interim report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss from ordinary activities of $8,535,887 during the period ended 31 December 2024 (31 December 2023: $4,743,323) after advancing its Phase IIb trial of avicursen in Duchenne Muscular Dystrophy. The Company terminated the trial in December 2024 after the trial failed to meet its primary end point.

The Company has taken aggressive measures to conserve its cash reserves including finalizing the termination of the trial and its associated costs as quickly as possible. Following the Company's recent capital raise activity and current working capital position, the Company has sufficient funding for a period of at least 12 months from the date of this report.

After consideration of the available facts the Directors have concluded that the going concern basis is appropriate.

Note 2. Material accounting policy information

Critical accounting judgements, estimates and assumptions

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

adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

R&D Tax incentive income accrual
The group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured.

Judgement is applied to each transaction the group incurs each financial year, by determining a percentage of each transaction that relates to R&D.

R&D income is determined using eligibility criteria and percentages of eligibility estimated by management. These estimated eligibility percentages determine the base for which the R&D tax rebate is calculated and therefore is subject to a degree of uncertainty.

Note 3. Dividends

There were no dividends paid, recommended or declared during the current year, 31 December 2024 or previous financial half-year (31 December 2023; Nil).

Note 4. Other income

	31 Dec 2024 $	31 Dec 2023 $
Interest from external parties	151,785	410,976
Research and development tax concession	-	789,132
Other income	**151,785**	**1,200,108**

Note 5. Research and development

	31 Dec 2024 $	31 Dec 2023 $
ATL 1102	6,125,679	3,607,135
ATL 1103	23,850	36,600
Research and development	-	465,753
Research and Development expenses	**6,149,529**	**4,109,488**

Note 6. Earnings per share

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.

	31 Dec 2024 $	30 June 2024 $
Loss after income tax attributable to the owners of Percheron Therapeutics Limited	(8,535,887)	(11,919,223)
	(8,535,887)	**(11,919,223)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	931,912,341	881,147,456
Weighted average number of ordinary shares used in calculating basic earnings per share	**931,912,341**	**881,147,456**

	31 Dec 2024 Cents	30 June 2024 Cents
Basic earnings per share	(0.92)	(1.35)
Diluted earnings per share	(0.92)	(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 31 December 2024, the Company had 48,899,460 unlisted options outstanding, which at the election of the option holder, are convertible into the following:

Expiry date	Amount	Exercise price
18 March 2025	4,000000	$0,185
18 March 2025	10,500,000	$0.270
30 June 2028	3,000,000	$0.061
7 August 2028	6,690,000	$0.070
4 July 2029	12.600,000	$0.083
29 November 2029	4,036,487	$0.260
29 November 2029	4,036,487	$0.390
29 November 2029	4,036,486	$0.520
Total	**48,899,460**	

Note 7. Share-based payments

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, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted under the ESOP during the half year ended 31 December 2024 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
4 Jul 2024	4 Jul 2029	$0.083	8.400,000[1]	$0.085	67.2%	-	4.2%	$0.051
21 Nov 2024	4 Jul 2029	$0.083	6,000,000[1]	$0.074	87.4%	-	4.2%	$0.049
29 Nov 2024	29 Nov 2029	$0.260	4,036,487[2]	$0.074	87.3%	-	4.0%	$0.036
29 Nov 2024	29 Nov 2029	$0.390	4,036,387[2]	$0.074	87.3%	-	4.0%	$0.030
29 Nov 2024	29 Nov 2029	$0.520	4,036,486[2]	$0.074	87.3%	-	4.0%	$0.026

1. Options will vest in six equal six-monthly instalments beginning 4 January 2025.
2. Options will vest in ten equal monthly instalments beginning 28 February 2025.

The model inputs for options granted under ESOP during the half year ended 31 December 2023 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
9 Mar 2023	7 Aug 2028	$0.070	6,690,000	$0.072	109.2%	-	3.155%	$0.0564
21 Dec 2022	18 Mar 2025	$0.185	3.000,000	$0.089	88.99%	-	3.950%	$0.0427

Note 8. Issued capital

	31 Dec 2024 Shares	30 June 2024 Shares	31 Dec 2024 $	30 June 2024 $
Ordinary fully paid shares	1,087,437,633	901,544,971	123,408,228	109,371,042

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
At the beginning of the period	01 July 2024	901,544,971		109,371,042
Issue of shares – Institutional placement	25 October 2024	135,231,746	$0.08	10,818,539
Issue of shares – Share Purchase Plan	14 November 2024	23,160,916	$0.08	1,852,952
Issue of shares – Institutional placement	27 November 2024	27,500,000	$0.08	2,200,000
Transaction costs related to issue of share capital				(834,305)
At the end of the period	31 December 2024	**1,087,437,633**		**123,408,228**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 9. Reserves

The option reserve:

	31 Dec 2024 $	31 Dec 2023 $
Share based payments reserve	2,150,032	1,631,754
	2,150,032	**1,631,754**

Movements in reserves

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

	AUD $	No. of options
Balance 1 July 2024	1,722,286	107,576,886
Options expired	-	(83,386,886)
Options cancelled	-	(1,800,000)
Options issued	-	26,509,360
Amortisation of options	427,746	-
Balance 31 December 2024	**2,150,032**	**48,899,460**

Note 10. Operating segments

Identification of reportable operating segments

The Company operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segments continue to be based on the manner in which the expenses are incurred. Discrete financial information about each of these operating segments is reported to the Board on a regular basis.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

Operating Segments

* ATL1102
* 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.

Note 10. Operating segments (continued)

31 December 2024	ATL1102 $	ATL1103 $	Total segments $	Unallocated $	Total segments & unallocated $
Revenue	-	-	-	151,785	151,785
Operating expenses	(5,843,969)	(23,851)	(5,867,820)	(2,819,852)	(8,687,672)
Segment results	(5,843,969)	(23,851)	(5,867,820)	(2,668,067)	(8,535,887)

31 December 2023	ATL1102 $	ATL1103 $	Total segments $	Unallocated $	Total segments & unallocated $
Revenue	-	-	-	1,200,108	1,200,108
Operating expenses	(3,607,135)	(36,597)	(3,643,732)	(2,299,699)	(5,943,431)
Segment results	(3,607,135)	(36,597)	(3,643,732)	(1,099,591)	(4,743,323)

Note 11. Commitments

As at 31 December 2024, the Company had contractual commitments of approximately $4.2 million (30 June 2024: $10.3 million) in relation to the closure of the Phase IIb trial in Duchenne muscular dystrophy. After discussions with relevant service providers the Company expects total remaining trial closure costs to be in the range of $6.0m to $7.0m.

Note 12. Events after the reporting period

On 7 January 2025, the Company announced that it had received notices under S203D(2) and S249D of the *Corporations Act 2001 (Cth)* on behalf of Dale Anthony Reed, Gregory Norman Peters, Robert William Moses, Statemoor Pty Ltd ACN 071 839 097 <Peters SF A/C>, Xcelerate Nominees Pty Ltd ACN 150 841 053 <Xcelerate Super Fund A/C>, David Kenley, XEC Partners Pty Ltd ACN 606 502 649 <XEC Partners A/C>, Xcelerate Trading Pty Ltd ACN 167 205 665 <Xcelerate Trading A/C> and Statemoor Pty Ltd ACN 071 839 097 <Peters Family A/C> (together, the Requisitioning Shareholders) who purport to collectively hold over 5% of the votes that may be cast at a general meeting of the Company. The Requisitioning Shareholders have also provided the Company with a members' statement under Section 249P of the Corporations Act. The Requisitioning Shareholders have requested that the Company propose to Shareholders that the Chair, Dr Charmaine Gittleson and Managing Director, Dr James Garner, be removed as Directors and that Mr Gregory Peters and Mr Gennadi Koutchin be appointed as directors. On 24 January 2025, the Company announced that it would convene a General Meeting on 4 March 2025, to consider these resolutions.

Directors' declaration
31 December 2024

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

1) In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001.*

On behalf of the Board

Dr Charmaine Gittleson
Non-executive Chair

19 February 2025

Dr James Garner
Managing Director & CEO

19 February 2025

Independent auditor's report

31 December 2024

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

Report on the half-year financial report

Our conclusion

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

- giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Company, which comprises:

- the statement of financial position as at 31 December 2024,
- the statement of profit or loss and other comprehensive income for the half-year then ended,
- the statement of changes in equity for the half-year then ended,
- the statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review 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 and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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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 half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

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

A. A. Finnis
«WB_SenderTitle»
Melbourne, 19 February 2025