

20 October 2020

The Manager
ASX Market Announcements
ASX Limited
Level 40, Central Park
152 - 158 St George's Terrace
Perth WA 6000

Dear Manager

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by PYC Therapeutics Limited ACN 098 391 961 (ASX:PYC) (**PYC**) under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (**Corporations Act**), as modified by *Australian Securities and Investments Commission's Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (Legislative Instrument)*.

On 20 October 2020, PYC announced an accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary PYC share (**New Share**) for every 10 PYC shares held at 7 pm Sydney time on Thursday 22 October 2020 by PYC shareholders with a registered address in Australia or New Zealand and certain other jurisdictions in which PYC has decided to extend the Entitlement Offer.

In conjunction with the Entitlement Offer, PYC is conducting an institutional placement of New Shares to raise up to approximately A\$5,000,000 (**Institutional Placement**).

With respect to the Entitlement Offer, the Company advises that:

- (a) the New Shares will be offered without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;
- (c) as at the date of this notice, PYC has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to PYC; and
 - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no "excluded information" of the type referred to in sections 708AA(8) and 708AA(9) of the Act, which is required to be set out under section 708AA(7) of the Act; and
- (e) the potential effect of the issue of New Shares pursuant to the Entitlement Offer on control of PYC and the consequences of that effect, will depend on a number of factors, including the extent to which eligible shareholders take up their entitlements.

The potential effect on control is summarised below:

- (i) If all eligible shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of PYC.
- (ii) If some eligible shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those eligible shareholders in PYC will be diluted.
- (iii) The proportional interests of shareholders who are not eligible shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.
- (iv) PYC's major shareholder, Australian Land Pty Ltd (**AL**) has committed to take up its full entitlement under the Entitlement Offer. AL has a disclosed voting power of approximately 30.11%. AL's voting power may increase up to a maximum of approximately 33% if no other shareholders accept their entitlement under the Entitlement Offer.
- (v) The Institutional Placement is expected to occur to new investors or institutional shareholders who are not existing substantial shareholders. If the Institutional Placement occurs and the Entitlement Offer was only taken up by AL then AL's substantial shareholding may increase to up to a maximum of 32%.
- (vi) Given the size and pricing of the Entitlement Offer only up to approximately 293,157,799 new shares are available to be issued representing less than 10% of the company's issued capital following completion of the Entitlement Offer of 3,224,735,790 shares

In light of the above, and given the structure of the Entitlement Offer the issue of new shares under the Entitlement Offer, PYC does not expect that the Entitlement Offer will have any material effect or consequence on the control of the Company.

This announcement was approved for release by the Board

Yours faithfully

Dr Rohan Hockings
Chief Executive Officer

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pyctx.com

PYC Therapeutics Limited
ACN 098 391 961