



ASX & Media Release

March 2018 Appendix 4C

Melbourne, Australia; 27 April, 2018: Patrys Limited (**ASX: PAB**) is pleased to lodge its Appendix 4C for the quarter ended 31 March 2018.

FINANCE

The Company held cash reserves of \$2,811,000 at the end of March, with net cash outflows from operating activities during the quarter of \$463,000.

During the period the Company's financial position was strengthened by the completion of a fully underwritten Rights Issue (non-renounceable 2:11 Rights Issue to eligible shareholders for new shares priced at 1.7 cents per share). The Company announced on the 14 February that the Rights Issue was oversubscribed and raised \$2,415,263 (before costs).

The Company further notes that it is actively pursuing multiple insurance claims related to the failed manufacturing run of PAT- SM6 in 2014/15. Given the magnitude, number and complexity of the claims this is a protracted process. As has been previously noted, the Company received \$1.3 million in insurance recoveries in 2015.

The Company also received during the quarter a Federal Government R&D Tax Rebate of \$292,777 relating to the 2016/2017 financial year.

OPERATIONS

Patrys enhanced its PAT-DX1 asset, building a novel position in the field of DNA damage repair (DDR) therapeutics. During the quarter, Patrys completed a \$2.4 million fully underwritten Rights Issue with the proceeds from this fund raising to continue development of the PAT-DX1 program, business development and other operational activities.

On 29 January 2018, the Company made two announcements with regard to its PAT-DX1-NP program. This product links PAT-DX1, Patrys' humanized version of the 3E10 anti-DNA antibody, to nanoparticles (NPs) that can be loaded with chemotherapeutic (or other) drugs. Specifically these studies, performed in the laboratories of Dr James Hansen and Dr Jiangbing Zhou at Yale University, found that mice with xenograft triple negative breast cancer tumors showed significantly higher localization of PAT-DX1-NP at the tumor sites when compared with unconjugated nanoparticles. This data is consistent with previously reported data using a glioblastoma cancer model and supports the broad utility of PAT-DX1-NP as a delivery vehicle for chemotherapeutics against a range of different cancers. In addition, as part of the same study it was observed that PAT-DX1-NP appeared not only to localise to primary tumors, but also to axillary lymph node metastases, potentially broadening the application of this product candidate.



On 30 January 2018, the Company announced the publication of a scientific article regarding the humanization of Deoxymab 3E10 in leading scientific journal *Biochemical and Biophysical Research Communications*. The article, "Re-engineering and evaluation of anti-DNA autoantibody 3E10 for therapeutic applications," is currently available online and will be included in a future print edition of the journal.

On 28 February 2018, the Company reported that PAT-DX1 administered by tail vein injection crossed the blood brain barrier to significantly reduce tumour size in an orthotopic animal model of glioblastoma based on human tumour explants. Evaluation of brain sections showed that the glioblastoma tumours in mice treated with PAT-DX1 were more than 40% smaller than the comparable tumours in control mice. On 19 March 2018, the Company reported that in the same glioblastoma model mice treated with PAT-DX1 showed improved survival, living more than 20% longer than control animals. These combined observations in a superior model of glioblastoma are very encouraging. Further preclinical work to optimise dosing and scheduling of PAT-DX1 in a range of cancers will continue in 2018.

Consistent with previous disclosures from the Company, manufacturing of PAT-SM6 and a possible clinical trial remain on hold until non-dilutive funding for this program can be obtained. The Company continues to pursue multiple insurance claims associated with the manufacturing runs of PAT-SM6 in 2014 and 2015.

Subsequent event

On 17 April, the Company announced it would present at this year's prestigious American Association for Cancer Research (AACR) Annual Meeting on April 14 – 18 2018 in Chicago, Illinois. The poster presented results from Dr. James Hansen's lab at the Yale School of Medicine and reiterated previous findings that PAT-DX1 localizes to various tumors due to its attraction to DNA released by dying cancer cells, penetrates into cell nuclei, inhibits DNA repair, and kills cancer cells with defects in homology-directed repair (HDR).

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of Patrys Limited,

Melanie Leydin
CFO and Company Secretary

About Patrys Limited:

Based in Melbourne, Australia, Patrys (ASX: PAB) is focused on the development of antibodies as therapies for a range of different cancers. Patrys has a pipeline of anti-cancer antibodies for both internal development and as partnering opportunities. More information can be found at www.patrys.com.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Patrys Limited

ABN

97 123 055 363

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	27
1.2 Payments for		
(a) research and development	(345)	(784)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(135)	(335)
(f) administration and corporate costs	(250)	(511)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	293	293
1.8 Other (IP expenditure)	(34)	(164)
1.9 Net cash from / (used in) operating activities	(463)	(1,457)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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 shares	2,415	2,415
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(50)	(50)
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	2,365	2,365

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	912	1,911
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(463)	(1,457)
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)	2,365	2,365

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(8)
4.6	Cash and cash equivalents at end of quarter	2,811	2,811

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	2,811	912
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,811	912

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
119
-

Cash payments to directors for executive director salaries, non-executive director fees and consulting services for the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	563
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	112
9.6 Administration and corporate costs	159
9.7 Other (provide details if material) (IP)	52
9.8 Total estimated cash outflows	886

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:  Date: 27 April 2018
(Company secretary)

Print name: Melanie Leydin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.