



ASX & Media Release

September 2018 Appendix 4C

Melbourne, Australia; 31 October, 2018: Patrys Limited (**ASX: PAB**) is pleased to lodge its Appendix 4C for the quarter ended 30 September 2018.

FINANCE

At the end of September the Company held cash reserves of \$3,670,000 with a further \$2,000,000 on deposit with maturity greater than 3 months. Net cash outflows from operating activities during the quarter were \$942,000. Cash outflows in the quarter ended 30 September 2018, were approximately \$158,000 less than forecast for the quarter.

On 25 October 2018 the Company announced that it has settled the insurance claim dispute related to the failed manufacturing run of PAT- SM6 in 2014 and 2015 and will receive A\$3 million. This is in addition to the \$1.272 million in insurance recoveries received previously in 2015. The additional settlement funds are not included in the current Appendix 4C.

OPERATIONS

Patrys continues to progress its PAT-DX1 asset, building a strong position in the field of DNA damage repair (DDR) therapeutics.

On 1 August 2018 the Company announced that it had been granted a European patent for its anti-cancer pre-clinical candidate PAT-LM1. The European Patent Office has issued correspondence confirming the grant of a key patent in the PAT-LM1 family; patent number 2390269; entitled "Neoplasm specific antibodies and uses thereof". The claims in this patent cover the PAT-LM1 antibody *per se* as well as its use in treating and diagnosing cancer. To date, 14 patents across three PAT-LM1 families have been granted in jurisdictions including the United States and Europe. This is the last patent to grant in the PAT-LM1 portfolio.

On 28 August 2018 the Company and the Walter and Eliza Hall Institute of Medical Research announced that they had been awarded a \$100,000 Victorian Medical Research Acceleration Fund grant from the Victorian state government to support research within the PAT-DX1 program that aims to develop new treatments for cancer. The grant will support the coupling of Patrys' PAT-DX1 with the Institute's 7D10 antibody to generate a bi-specific antibody called 7D10-PAT-DX1. 7D10 protein interacts with the Bak protein inside cells to cause cell killing but is unable to pierce a cancer cell's outer membrane and bind to its targets by itself. PAT-DX1 is a novel antibody that can enter and kill cancer cells harboring defective DNA repair mechanism. Combining these technologies by the generation of a bi-specific 7D10-PAT-DX1 antibody may result in a novel antibody that will be able to enter a cell, bind to its targets and act to help circumvent survival pathways typically employed by cancer.

On 13 September 2018 the Company published a business review to compliment the end of financial year report. This review outlines the goals for the remainder of the 2018 calendar year and gives further background to the asset platforms.



Subsequent events

On 4 October 2018 the Company announced that it has selected the target indications for its PAT-DX1 clinical development program. This decision paves the way for Patrys to progress PAT-DX1 towards the clinic as a novel therapeutic for the treatment of various cancers. Patrys has previously described the scope for PAT-DX1 to be used for the potential treatment of a broad range of cancers with impaired DNA damage repair (DDR) status. Following a review of clinical needs and market opportunities around a number of potential therapeutic applications for PAT-DX1, and based on data to date, Patrys now confirms its plans to prioritize its efforts on two indications as being the most attractive targets; triple breast cancer (TNBC) and glioblastoma.

On 8 October 2018 the Company announced that it had been awarded a \$50,000 Australian Academy of Technology and Engineering (ATSE) Global Connections Bridging Grant, which is supported by the Australian Federal Government. This grant will use resources at Patrys and Yale University PET Center, which has state-of-the-art positron emission tomography (PET) scanners for imaging various diseases, including cancer, using preclinical rodent models. The grant aims to develop 'proof-of-concept' testing of PAT-DX1 as a PET imaging agent to detect metastatic triple negative breast cancer in animal models. The work will couple Patrys' PAT-DX1 with Zirconium-89 (89Zr) as an imaging companion to therapy based on PAT-DX1.

On 25 October 2018 the Company announced that it had reached a negotiated settlement with its insurers regarding the failed manufacturing runs for PAT-SM6 in 2014 and 2015. The settlement of an additional A\$3 million was reached with no admission of liability from the insurers. Payment will be received by Patrys within 30 days of 25th October 2018. Costs associated with reaching the negotiated settlement are included in "Administration and corporate costs" section of the Estimated cash outflows in the Appendix 4C.

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")

30 SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(376)	(376)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(179)	(179)
(f) administration and corporate costs	(323)	(323)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (IP expenditure)	(71)	(71)
1.9 Net cash from / (used in) operating activities	(942)	(942)
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 (3 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 (cash on deposits)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2	2
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	-	-
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	2

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	4,605	4,605
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(942)	(942)
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	2

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	5	5
4.6	Cash and cash equivalents at end of quarter ¹	3,670	3,670

¹ The cash balance above excludes \$2 million of cash on deposit with a maturity date greater than 3 months.

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	1,670	4,605
5.2	Call deposits	2,000	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above) ¹	3,670	4,605

¹ The cash balance for the current quarter and previous quarter excludes \$2 million of cash on deposit with a maturity date greater than 3 months.

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

190

-

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

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-

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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	406
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	130
9.6 Administration and corporate costs	518
9.7 Other (provide details if material) (IP)	43
9.8 Total estimated cash outflows	1,097

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: 

(Company secretary)

Date: 31 October 2018

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.