



ASX & Media Release

September 2017 Appendix 4C

Melbourne, Australia; October 27, 2017: Patrys Limited (**ASX: PAB**) is pleased to lodge its Appendix 4C for the quarter ended 30 September 2017.

Finance

The Company held cash reserves of \$1.342 million at the end of September, with net cash outflows from operating activities during the quarter of \$0.558 million.

The Company notes that it has lodged an application for a Federal Government R&D Tax Rebate for \$0.430 million, and that this application is pending determination.

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 \$1.272 million in insurance recoveries in 2015.

Operations

During the quarter Patrys reported the granting of the first patent for Deoxymab 3E10 by the United States Patent and Trademark Office (USPTO), and reported positive results from a range of *in vivo* models of cancer for both PAT-DX1 (humanized Deoxymab 3E10) and PAT-DX1-NP, the Deoxymab-conjugated nanoparticle technology licensed earlier in 2017 from Yale University.

In July 2017 the Company announced that the USPTO had granted the patent application “Cell-penetrating anti-DNA antibodies and uses thereof to inhibit DNA repair” (patent number 9,701,740). The patent protects the method of use of Patrys’ novel Deoxymab 3E10 family, including Patrys’ lead candidate, PAT-DX1, as treatment for various cancers and is central to the Company’s development and commercialisation efforts.

In September 2017 the Company announced a range of positive pre-clinical data for manufactured PAT-DX1. This data included observations that PAT-DX1 outperformed the non-humanized 3E10 antibody in cell penetration and cancer cell death assays; that PAT-DX1 kills colon cancer cells that lack key DNA repair enzymes such as BRCA2; that PAT-DX1 is active against primary human glioblastoma tumor cells from patients; and that PAT-DX1 showed signals of efficacy in an animal model of triple negative breast cancer.

This data strongly indicates that PAT-DX1 has a modality of binding to nuclear DNA and blocking DNA repair, raising the possibility that PAT-DX1 could work synergistically with other DNA damage repair (DDR) therapeutics, most notably inhibitors of DNA repair enzymes such as PARP.



Also in September 2017 the Company announced the first pre-clinical data for its drug candidate PAT- DX1-NP (PAT-DX1 linked to nanoparticles that can be loaded with chemotherapeutic (or other) drugs). It was reported that compared to unconjugated nanoparticles, experiments in mice with orthotopic glioblastoma brain tumors showed significantly higher localization of PAT-DX1-NP at the tumor sites. Further, PAT- DX1-NP localization was not elevated over background in other organs, including the heart, lungs, liver, spleen and kidneys, confirming the tumor-specificity of the conjugate.

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 run of PAT-SM6 in 2014.

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 2017

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	(264)	(264)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(94)	(94)
(f) administration and corporate costs	(119)	(119)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
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)	(89)	(89)
1.9 Net cash from / (used in) operating activities	(558)	(558)
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 (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	-	-
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	-	-

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	1,911	1,911
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(558)	(558)
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)	-	-

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	(11)	(11)
4.6	Cash and cash equivalents at end of quarter	1,342	1,342

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	792	1,261
5.2	Call deposits	550	650
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,342	1,911

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	115
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	

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	Current quarter \$A'000
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	

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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	318
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	97
9.6 Administration and corporate costs	70
9.7 Other (provide details if material) (IP)	59
9.8 Total estimated cash outflows	544

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: 27 October 2017

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.