



ASX & Media Release

Patrys Quarterly Activities Report and Appendix 4C

Melbourne, Australia, 30 January 2020: Patrys Limited (ASX:PAB, “Patrys” or the “Company”), a therapeutic antibody development company, is pleased to announce further progress across its Deoxymab platform and the release of its Appendix 4C for the quarter ended 31 December 2019.

Key highlights

- **Progressed cell line development, with further evaluation of different antibody formats to provide for better manufacturability, stability and pharmacokinetic properties**
- **New round of pre-clinical studies agreed to further advance the clinical potential of the PAT-DX1/PAT-DX1-NP platform**
- **Finalised grant applications with academic collaborators to support upcoming pre-clinical work**
- **Appointed Dr. Pamela M. Klein, an experienced oncologist and biotech executive, to the Board of Directors**
- **Received R&D tax incentive refund of A\$672k from the ATO**

Operations

During the quarter, Patrys continued its ongoing work on the development of a stable cell line for the PAT-DX1 program. This research is being progressed by a well-respected international manufacturing partner and is on track to be completed in CY2020. Significant advancements have been achieved in the workstream which have resulted in selection of a preferred format with potential improvements in manufacturability and cost of production, both critical parameters for eventual commercialization. The development of a stable cell line is an important milestone which will enable Patrys to progress Good Manufacturing Practice (GMP) production and formulation and key toxicology studies ahead of its Phase 1 clinical trial.

After meetings with collaborators in both the US and Australia, a new round of pre-clinical experiments to further advance the understanding and clinical potential of PAT-DX1 has been agreed. The Company looks forward to sharing the results of the studies with shareholders as they become available.

In addition, Patrys and its research partners progressed, finalised and submitted a number of new grant applications to support additional pre-clinical studies to broaden and develop the portfolio. The grants potentially provide non-dilutive funding to support other pre-clinical development of PAT-DX1 and its nanoparticle conjugated form, PAT-DX1-NP.

Corporate

In October 2019, Dr. Pamela M. Klein was appointed as Non-Executive Director of Patrys. Dr. Klein has a proven track record of more than 20 years in oncology and the biopharmaceuticals industry, and has been a member of the Patrys Scientific Advisory Board for over 2 years. Dr. Klein’s significant industry experience will provide the Company with valuable support for the proposed clinical trial of PAT-DX1 in CY2021.



Dr. Klein is currently on the Board of Argenx (Euronext & Nasdaq: ARGX) and Spring Bank Pharmaceuticals (Nasdaq: SBPH) and the Principal and Founder of PMK BioResearch, which offers strategic consulting in oncology drug development. Previously, Dr. Klein was the Chief Medical Officer of Intellikine and was Vice President, Development at Genentech where she led the development of a large portfolio of drugs including Human Epidermal Receptor: HER (Herceptin, Tarceva, Perjeta), Apoptosis and Hematology compounds (Rituxan).

In November 2019, Patrys received a R&D Tax Incentive Refund of A\$672k. During the quarter, Patrys had net cash inflows of A\$196k, with A\$196k invested in R&D activities. At the end of the quarter, the Company held A\$5.57m in cash. Forecast cash outflow for the upcoming quarter is A\$1.3m, with a significant portion related to R&D activities.

-Ends-

This announcement is authorised for release by the Board of Directors of Patrys Limited.

For further information, please contact:

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About Patrys Limited

Based in Melbourne, Australia, Patrys (ASX:PAB) is focused on the development of its Deoxymab platform of cell-penetrating antibodies as therapies for a range of different cancers. 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 December 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 27 | 27 |
| 1.2 Payments for | | |
| (a) research and development | (196) | (774) |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | - | - |
| (d) leased assets | - | - |
| (e) staff costs | (141) | (355) |
| (f) administration and corporate costs | (128) | (372) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 20 | 46 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 678 | 678 |
| 1.8 Other | | |
| - IP expenditure | (64) | (125) |
| 1.9 Net cash from / (used in) operating activities | 196 | (875) |

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

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| (c) investments | - | - |
| (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 | - | - |
| 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 | 5,400 | 6,474 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | 196 | (875) |
| 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 (6 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (25) | (28) |
| 4.6 | Cash and cash equivalents at end of quarter | 5,571 | 5,571 |

| 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 | 1,445 | 1,292 |
| 5.2 | Call deposits | 4,126 | 4,108 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 5,571 | 5,400 |

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 |
|------------------------------------|
| 139 |
| - |

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. | | |

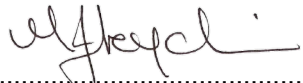
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| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|--------------|
| 9.1 Research and development | 701 |
| 9.2 Product manufacturing and operating costs | - |
| 9.3 Advertising and marketing | - |
| 9.4 Leased assets | - |
| 9.5 Staff costs | 109 |
| 9.6 Administration and corporate costs | 428 |
| 9.7 Other (provide details if material) (IP) | 65 |
| 9.8 Total estimated cash outflows | 1,303 |

| 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: 30 January 2020
(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.