



PATRYYS LIMITED
ABN 97 123 055 363

**APPENDIX 4D HALF YEAR REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

1. Company details

Name of entity:	Patrys Limited
ABN:	97 123 055 363
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	44.9% to	120,476
Loss from ordinary activities after tax attributable to the Owners of Patrys Limited	down	291.8% to	(1,710,116)
Loss for the half-year attributable to the Owners of Patrys Limited	down	291.8% to	(1,710,116)
		31 December 2019	31 December 2018
		Cents	Cents
Basic (loss)/earnings per share		(0.16)	0.08
Diluted (loss)/earnings per share		(0.16)	0.08

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$1,710,116 (31 December 2018: profit of \$891,656).

During the period, the Group had total revenue of \$120,476 (31 December 2018: \$218,600), consisting of R&D incentive income of \$60,061 (31 December 2018: \$98,764) licencing income of \$13,750 (31 December 2018: \$13,750), interest income of \$41,167 (31 December 2018: \$56,086) and government grants \$5,498 (31 December 2018: \$50,000),

The Group's research and development expenditure during the half year was \$869,221 (31 December 2018: \$855,385). This includes direct research and development activities associated with pre-clinical and manufacturing work, as well as wages, salaries and other overheads associated with research and development.

Cash at bank at 31 December 2019 was \$5,570,600 (30 June 2019 \$6,473,840). The working capital position as at 31 December 2019 of the consolidated entity results in an excess of current assets over current liabilities of \$5,255,491 (30 June 2019: \$6,732,668).

3. Control gained over entities

Not applicable.

4. Loss of control over entities

Not applicable.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

No dispute or qualification.

10. Attachments

Details of attachments (if any):

The Half-year financial report of Patrys Limited for the half-year ended 31 December 2019 is attached.

11. Signed

Signed  _____

Date: 24 February 2020

Patrys Limited

ABN 97 123 055 363

Half-year financial report - 31 December 2019

Patrys Limited
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For the half-year ended 31 December 2019



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Directors	Mr. John Read (Non-Executive Chairman) Mr. Michael Stork (Non-Executive Director and Deputy Chairman) Ms. Suzy Jones (Non-Executive Director) Dr. James Campbell (Managing Director & CEO) Dr. Pamela M. Klein (Non-Executive Director- appointed on 1 October 2019)
Company secretary	Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Phone: +61 3 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC, 3205
Share register	Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3067 Phone: 1300 850 505 (within Australia) Phone: +61 3 9415 5000
Auditor	BDO East Coast Partnership Level 18, 727 Collins Street Melbourne VIC 3008 Australia
Stock exchange listing	Patrys Limited shares are listed on the Australian Securities Exchange (ASX code: PAB)
Website	www.patrys.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or the 'Group') consisting of Patrys Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were Directors of Patrys Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. John Read (Non-Executive Chairman)
Mr. Michael Stork (Non-Executive Director and Deputy Chairman)
Ms. Suzy Jones (Non-Executive Director)
Dr. James Campbell (Managing Director & CEO)
Dr. Pamela M. Klein (Non-Executive Director- appointed on 1 October 2019)

Principal activities

Patrys is devoted to the development and commercialisation of novel antibody technologies to improve clinical outcomes for cancer patients. The Company's lead technology is Deoxymab 3E10, a DNA damage-repair (DDR) antibody which penetrates live cell nuclei and inhibits key mechanisms of DNA repair in target cancer cells

The Company has developed a humanised form of Deoxymab 3E10, PAT-DX1, and is progressing this and a nanoparticle conjugated form (PAT-DX1-NP) towards the clinic. Currently, the Company is focusing on PAT-DX1 as a treatment for metastatic triple negative breast cancer (MTNBC) and glioblastoma (GBM). Patrys continues to complete pre-clinical research in collaboration with leading universities and other research partners, with several grant funded studies planned.

The Deoxymab 3E10 technology is exclusively licensed from Yale University. Patrys' rights to Deoxymab 3E10 are part of a worldwide license to develop and commercialise a portfolio of anti-cancer and diagnostic agents (including anti-DNA antibodies, antibody fragments, variants and conjugates).

Review of operations

PAT-DX1 – progressing pre-clinical studies and manufacturing workstreams ahead of Phase 1 clinical trial

During the half year period, Patrys continued work towards development of a stable cell line for the PAT-DX1 program, led by a well-respected international manufacturing partner. During the period the Company selected a preferred format with potential improvements in manufacturability and cost of production. Development of a stable cell line is an important milestone which will enable Patrys to progress Good Manufacturing Practice (GMP) production and formulation of key toxicology studies ahead of a Phase 1 clinical trial. Stable cell line development is on track for completion in CY20 ahead of the proposed PAT-DX1 phase 1 clinical study planned for CY21.

In July 2019, the Company released encouraging data from a pre-clinical animal study conducted by the Yale School of Medicine regarding its lead candidate, PAT-DX1. Results of the study showed that PAT-DX1 as a single agent suppressed tumour growth in a highly aggressive human GBM mouse model and improved survivability with no toxicity observed. Additionally, in combination with low dose radiation, PAT-DX1 resulted in significantly more tumour suppression and prolonged survival compared to low dose radiation therapy alone.

During the half year period, planning continued for further PAT-DX1 and PAT-DX1-NP animal studies in GBM and TNBC metastases, including further pharmacokinetics, safety and toxicology studies. After discussions with collaborators in both the US and Australia, the Company has committed to a new round of pre-clinical studies to further advance the understanding and clinical potential of PAT-DX1. Ongoing pre-clinical work will refine the Company's clinical development strategy going forward.

Corporate developments

In October 2019, Dr. Pamela M. Klein was appointed as Non-Executive Director of Patrys. Dr. Klein has a proven track record spanning 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 PAT-DX1 clinical trial in CY21.

In July 2019, the Company presented and showcased pre-clinical data from the Deoxymab 3E10 platform to fund managers and retail investors at the 15th annual Bioshares Biotech Conference in Queenstown, New Zealand. Dr. James Campbell and Dr. James Hansen also presented key data from the Company's pre-clinical development program at the Society for Neuro-Oncology inaugural conference on Brain Metastases in New York, US in August 2019.

In July 2019, Patrys received a "Notice of Grant" for European patent (patent number: 2694555) that covers the methods of using Patrys' novel Deoxymab 3E10 technology as treatment for a broad range of cancers and malignancies including gliomas, metastases, breast, pancreatic, ovarian and prostate cancers and melanomas. Patrys is focused on maintaining patent protection in major jurisdictions where future regulatory approvals and product sales are targeted, with more than 20 pending patent applications across 9 patent families.

Patrys and its research partners progressed, finalised and submitted a number of new grant applications to support further pre-clinical studies which will develop and broaden the Company's portfolio. Grants are an attractive source of non-dilutive funding, supporting further pre-clinical developments of both PAT-DX1 and PAT-DX1-NP.

Looking ahead

Under the guidance of the Board and the Scientific Advisory Board Patrys made advances in its efforts to build and realise the value of its assets in the six months to 31 December 2019.

The activities for 2020 include a number of animal models, development of PAT-DX1 manufacturing, new intellectual property patent filings and a focus on establishment on collaborations and alliances. The development of a stable cell line is an important upcoming milestone which will enable Patrys to progress GMP production and formulation and key toxicology studies ahead of its Phase 1 clinical trial.

Statement of Financial Position

At 31 December 2019, cash and term deposits of \$5,570,600 (30 June 2019: \$6,473,840) are held. Patrys' policy is to hold its cash and cash equivalent deposits in 'A' rated or better deposits.

Patrys' strategy is to outsource product development expenses, including manufacturing, regulatory and clinical trial expenses, to specialist, best of breed partner organisations. As a consequence, Patrys has not incurred any major capital expenditure for the period and does not intend to incur substantial commitments for capital expenditure in the immediate future.

Operating results

During the period, the Group had total revenue of \$120,476 (31 December 2018: \$218,600), consisting of R&D incentive income of \$60,061 (31 December 2018: \$98,764) licencing income of \$13,750 (31 December 2018: \$13,750), interest income of \$41,167 (31 December 2018: \$56,086) and government grants \$5,498 (31 December 2018: \$50,000),

Total consolidated operating expenses for the period were \$1,830,592 (31 December 2018: \$2,326,944),

Research and development costs of \$869,221 (2018: \$855,385) have been expensed in the period in which they were incurred.

Management and administration costs contributed a further \$961,371 (31 December 2018: \$1,471,559) to expenses from continuing operations.

Statement of Cash Flows

The Group's cash outflow from operations over the period was \$882,825 (31 December 2018: inflow of \$1,462,569). Net outflows were \$882,825 (31 December 2018: inflow of \$1,437,784).

Significant changes in the state of affairs

On 17 September 2019, the company issued 1,500,000 unlisted options to a consultant pursuant to their consulting agreement.

On 1 October 2019, Dr Pamela M. Klein was appointed as a Non-Executive Director. The company issued 4,000,000 unlisted options to Dr Pamela M. Klein as part of her sign-on package as a Non-Executive Director.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Mr. John Read
Chairman

24 February 2020



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DECLARATION OF INDEPENDENCE BY TIM FAIRCLOUGH TO THE DIRECTORS OF PATRYS LIMITED

As lead auditor for the review of Patrys Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Patrys Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Tim Fairclough'. The signature is written in a cursive, flowing style.

Tim Fairclough
Partner

BDO East Coast Partnership

Melbourne, 24 February 2020

Patrys Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019



		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Revenue	3	120,476	218,600
Other income	4	-	3,000,000
Expenses			
Research & development expenses		(869,221)	(855,385)
Administration & management expenses		(961,371)	(1,471,559)
Profit/(loss) before income tax expense		(1,710,116)	891,656
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the Owners of Patrys Limited		(1,710,116)	891,656
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(7)	1,131
Other comprehensive income for the half-year, net of tax		(7)	1,131
Total comprehensive income for the half-year attributable to the Owners of Patrys Limited		<u>(1,710,123)</u>	<u>892,787</u>
		Cents	Cents
Basic (loss)/earnings per share	9	(0.16)	0.08
Diluted (loss)/earnings per share	9	(0.16)	0.08

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Patrys Limited
Statement of financial position
As at 31 December 2019



	Consolidated	
	31 December	
Note	2019	30 June 2019
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,570,600	6,473,840
Trade and other receivables	119,072	740,548
Other	82,126	139,356
Total current assets	<u>5,771,798</u>	<u>7,353,744</u>
Non-current assets		
Property, plant and equipment	4,991	6,384
Intangibles	551,249	573,750
Total non-current assets	<u>556,240</u>	<u>580,134</u>
Total assets	<u>6,328,038</u>	<u>7,933,878</u>
Liabilities		
Current liabilities		
Trade and other payables	380,447	479,266
Employee benefits	135,860	141,810
Total current liabilities	<u>516,307</u>	<u>621,076</u>
Non-current liabilities		
Employee benefits	19,335	16,348
Total non-current liabilities	<u>19,335</u>	<u>16,348</u>
Total liabilities	<u>535,642</u>	<u>637,424</u>
Net assets	<u>5,792,396</u>	<u>7,296,454</u>
Equity		
Issued capital	5 67,066,992	67,066,992
Reserves	6 1,159,799	953,741
Accumulated losses	(62,434,395)	(60,724,279)
Total equity	<u>5,792,396</u>	<u>7,296,454</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Patrys Limited
Statement of changes in equity
For the half-year ended 31 December 2019



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	67,039,044	588,561	(60,336,130)	7,291,475
Profit after income tax expense for the half-year	-	-	891,656	891,656
Other comprehensive income for the half-year, net of tax	-	1,131	-	1,131
Total comprehensive income for the half-year	-	1,131	891,656	892,787
<i>Transactions with Owners in their capacity as Owners:</i>				
Share-based payments	-	175,107	-	175,107
Reallocation of value of expired and cancelled equity	-	(21,819)	21,819	-
Shares issued	1,800	-	-	1,800
Share issue costs/Adjustment	28,032	-	-	28,032
Balance at 31 December 2018	<u>67,068,876</u>	<u>742,980</u>	<u>(59,422,655)</u>	<u>8,389,201</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	67,066,992	953,741	(60,724,279)	7,296,454
Loss after income tax expense for the half-year	-	-	(1,710,116)	(1,710,116)
Other comprehensive income for the half-year, net of tax	-	(7)	-	(7)
Total comprehensive income for the half-year	-	(7)	(1,710,116)	(1,710,123)
<i>Transactions with Owners in their capacity as Owners:</i>				
Share-based payments	-	206,065	-	206,065
Balance at 31 December 2019	<u>67,066,992</u>	<u>1,159,799</u>	<u>(62,434,395)</u>	<u>5,792,396</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Patrys Limited
Statement of cash flows
For the half-year ended 31 December 2019



	Consolidated	
Note	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,633,567)	(2,219,582)
Interest received	45,600	48,522
Other revenue	5,498	50,000
Licensing income	27,500	27,500
Insurance recoveries	-	3,000,000
R&D tax incentive	672,144	556,129
	<u>(882,825)</u>	<u>1,462,569</u>
Net cash from/(used in) operating activities		
Cash flows from investing activities		
Investment in term deposits	-	(24,701)
	<u>-</u>	<u>(24,701)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	-	1,800
Share issue transaction costs	-	(1,884)
	<u>-</u>	<u>(84)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	(882,825)	1,437,784
Cash and cash equivalents at the beginning of the financial half-year	6,473,840	4,605,459
Effects of exchange rate changes on cash and cash equivalents	(20,415)	34,195
	<u>(882,825)</u>	<u>1,437,784</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>5,570,600</u></u>	<u><u>6,077,438</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Patrys Limited as a Consolidated Entity consisting of Patrys Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Patrys Limited's functional and presentation currency.

Patrys Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 February 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019 and has been applied by the company from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the Statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group has adopted this standard from 1 July 2019 but there is no material effect on Patrys recognition or measurement as Patrys is not involved in any lease agreements.

Note 2. Significant accounting policies (continued)

Going concern

It is noted that for the half-year ended 31 December 2019, the Group incurred a loss from continuing operations after income tax of \$1,710,116 (31 December 2018: profit of \$891,656) and had consolidated net operating cash outflows of \$882,825 (31 December 2018: outflows of \$1,462,569).

During the period the Group received a \$672,144 R&D tax incentive and \$5,498 Government grant.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates normal business activity, realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- At 31 December 2019, the Group had net current assets of \$5,255,491 (30 June 2019: \$6,732,668) and cash reserves of \$5,570,600;
- Cash flow forecasts prepared by management demonstrate that the Group has sufficient funds to meet commitments over the next twelve months; and
- At 31 December 2019, the Group recognised a receivable of \$69,522 in relation to the estimated R&D tax incentive for the half-year ended 31 December 2019 which is expected to be received after the end of the 2020 financial year.
- The Directors have a track record of successful capital raisings.

Based on the above, the Directors believe the Consolidated Entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Note 3. Revenue

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Licensing income	13,750	13,750
R&D tax incentive	60,061	98,764
Interest income	41,167	56,086
Government grants	5,498	50,000
	<u>120,476</u>	<u>218,600</u>
Revenue	<u>120,476</u>	<u>218,600</u>

Note 4. Other income

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Insurance recoveries	-	3,000,000
	<u>-</u>	<u>3,000,000</u>

Note 5. Equity - issued capital

	Consolidated			
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,069,341,303</u>	<u>1,069,757,969</u>	<u>67,066,992</u>	<u>67,066,992</u>

Note 5. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	1,069,757,969		67,066,992
Expiration of shares from share loan plan	31 December 2019	<u>(416,666)</u>	\$0.00000	<u>-</u>
Balance	31 December 2019	<u>1,069,341,303</u>		<u>67,066,992</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 6. Equity - reserves

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Foreign currency translation reserve	(18,801)	(18,794)
Share option reserve	978,831	772,766
Share loan plan reserve	19,769	19,769
Other reserve	180,000	180,000
	<u>1,159,799</u>	<u>953,741</u>

	Foreign currency translation reserve	Share option reserve	Share loan plan reserve	Other reserve	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2019	(18,794)	772,766	19,769	180,000	953,741
Foreign currency translation	(7)	-	-	-	(7)
Share based payments	-	206,065	-	-	206,065
Balance at 31 December 2019	<u>(18,801)</u>	<u>978,831</u>	<u>19,769</u>	<u>180,000</u>	<u>1,159,799</u>

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 9. Earnings per share

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Profit/(loss) after income tax attributable to the Owners of Patrys Limited	<u>(1,710,116)</u>	<u>891,656</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,069,757,969</u>	<u>1,070,387,587</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,069,757,969</u>	<u>1,070,387,587</u>
	Cents	Cents
Basic (loss)/earnings per share	(0.16)	0.08
Diluted (loss)/earnings per share	(0.16)	0.08

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr. John Read
Chairman

24 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Patrys Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Patrys Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A handwritten signature in black ink that reads 'Tim Fairclough'.

Tim Fairclough
Partner

Melbourne, 24 February 2020