



ASX & Media Release

Patrys Quarterly Activities Report and Appendix 4C

Melbourne, Australia, 27 April 2020: Patrys Limited (ASX:PAB, “Patrys” or the “Company”), a therapeutic antibody development company, is pleased to announce further progress across its Deoxymab platform (including PAT-DX1-NP and PAT-DX1) and the release of its Appendix 4C for the quarter ended 31 March 2020.

Key highlights

- **Pre-clinical data demonstrates PAT-DX1-NP improves the delivery of nanoparticles across the BBB by 260% and localises to metastatic tissue in a mouse model of TNBC brain metastases**
- **New studies conducted by the Yale School of Medicine establishes the mechanism by which PAT-DX1 crosses the blood brain barrier, confirming its novel mechanism for drug delivery**
- **Dr. James Hansen from the Yale School of Medicine presented PAT-DX1 pre-clinical data at the PARP & DDR Inhibitors Summit in Boston, USA**
- **Cash balance at the close of quarter of A\$4.7m and net cash outflows of A\$991k including A\$366k invested in R&D activities**

Operations

In March 2020, Patrys released pre-clinical animal data for the development of PAT-DX1-NP conducted by Dr James Hansen and Dr. Jianging Zhou of the Yale School of Medicine. The data confirmed that PAT-DX1-NP, like its unconjugated form (PAT-DX1), is able to cross the blood brain barrier (BBB) and successfully target triple-negative breast cancer (TNBC) brain metastases. The data demonstrates that PAT-DX1-NP improves delivery of nanoparticles across the BBB by 260% and specifically targets regions of the brain where metastatic tissue is localised.

Later in March 2020, Patrys released findings from pre-clinical studies conducted by the Yale School of Medicine providing critical mechanistic data for Patrys’ lead candidate PAT-DX1. The studies explained PAT-DX1’s ability to cross the BBB, confirming it crosses the BBB via the equilibrative nucleoside transporter 2 (ENT2) pathway. The new data supports PAT-DX1’s novel mechanism and will support Patrys Investigational New Drug (IND) filing to clinically test PAT-DX1 against brain tumours and metastases.

During the quarter, Patrys continued its ongoing work on the development of stable cell line for the PAT-DX1 program. This research is being conducted by a well-respected international manufacturing partner, with targeted completion in CY2020.

The Company recognises the negative impacts of COVID-19 that are being felt around the world. Rapidly evolving market conditions and efforts to control the outbreak are impacting the workflow of the Company’s research partners and laboratories. The Company is tracking the status of its contractors and collaborators and is expecting some slippage in its PAT-DX1 manufacturing program, and longer delays for some of its pre-clinical studies. Currently, Patrys remains on track to commence a phase 1 study in mid-2021 and will provide an update to the market if this timetable is shifted substantively by the COVID-19 situation.



Corporate

In January 2020, Dr. James Hansen from the Yale School of Medicine presented PAT-DX1 pre-clinical data at the PARP & DDR Inhibitors Summit in Boston, USA. The summit provided an opportunity to highlight the clinical potential of Patrys' lead candidate, PAT-DX1 and its nanoparticle conjugated form, PAT-DX1-NP, to global industry leaders in the DDR therapeutics space.

During the quarter, Patrys had net cash outflows of A\$991k with A\$366k invested in R&D associated with pre-clinical studies. At the end of the quarter, the Company held A\$4.7m in cash. The Company remains committed to improving patient outcomes, and will continue to demonstrate prudent cash management and adapt its operational practices and policies in line with COVID-19 mitigation measures.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 4C to this quarterly activities report were A\$144k. These payments are related to executive director salaries, non-executive director fees and consulting services for the quarter.

-Ends-

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

For further information, please contact:

General enquiries

James Campbell
Chief Executive Officer
P: +61 3 9670 3273
info@patrys.com

Media enquiries:

Haley Chartres
HACK
P: +61 423 139 163
haley@hck.didital

Registered Office Address

Level 4, 100 Albert Road
South Melbourne VIC 3205

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.

About Patrys' Deoxymab 3E10 platform – lead candidates PAT-DX1 and PAT-DX1-NP:

Deoxymab 3E10 is a DNA damage-repair antibody that was first identified in lupus. Of particular interest is that whilst most antibodies bind to cell surface markers, Deoxymab 3E10 penetrates into the cell nuclei and binds directly to DNA where it inhibits DNA repair processes and kills cells that have mutations or deficiencies in DNA



repair mechanisms as found in various cancer cells. Deoxymab 3E10 has demonstrated single agent activity and has been shown to significantly enhance the efficacy of both chemotherapy and radiotherapy. Further, Deoxymab 3E10 can be conjugated to nanoparticles to target delivery of chemotherapeutics and imaging agents to tumours.

Patrys has developed a humanised form of Deoxymab 3E10, PAT-DX1 with improved activity over the original version of 3E10, and is progressing this, and a nanoparticle-conjugated form (PAT-DX1-NP) towards the clinic. In a range of pre-clinical cancer models PAT-DX1 has shown significant ability to kill cancer cells in cell models, human tumour explants, xenograft and orthotopic models. Treatment with PAT-DX1 has been shown to significantly improve survival in orthotopic models of both triple negative breast cancer brain metastases and glioblastoma. Significantly, PAT-DX1 has repeatedly been shown to be able to cross the blood brain barrier, a significant hurdle for therapeutics to combat brain cancers. Patrys' rights to Deoxymab 3E10 are part of a worldwide license to develop and commercialise as anti-cancer and diagnostic agents a portfolio of novel anti-DNA antibodies and antibody fragments, variants and conjugates discovered at Yale University.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PATRYS LIMITED

ABN

97 123 055 363

Quarter ended ("current quarter")

31 March 2020

| 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 | (366) | (1,140) |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | - | - |
| (d) leased assets | - | - |
| (e) staff costs | (149) | (504) |
| (f) administration and corporate costs | (436) | (808) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 16 | 62 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 678 |
| 1.8 Other | | |
| - IP expenditure | (56) | (181) |
| 1.9 Net cash from / (used in) operating activities | (991) | (1,866) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) intellectual property | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| (f) other non-current assets | - | - |
| 2.2 Proceeds from disposal of: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) 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 equity securities (excluding convertible debt securities) | - | - |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 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 period | 5,571 | 6,474 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (991) | (1,866) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | - | - |

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | 164 | 136 |
| 4.6 | Cash and cash equivalents at end of period | 4,744 | 4,744 |

| 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 | 1,665 | 1,445 |
| 5.2 | Call deposits | 3,079 | 4,126 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 4,744 | 5,571 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 144 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---------------------------------------|---|---|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (991) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 4,744 |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 4,744 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 4.79 |

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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.

Date: 27 April 2020

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.