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# **ENTITLEMENT OFFER PROSPECTUS**

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For a non-renounceable entitlement issue of one Share for every three Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.012 (1.2 cents) per Share together with one free attaching New Option (exercise at \$0.024 (2.4 cents) with an expiry date of three years from date of issue) for every three Shares issued to raise approximately \$4.29 million.

The Offer is fully underwritten by Lazarus Corporate Finance Pty Limited ACN 149 263 542. Lazarus Corporate Finance Pty Limited is also acting as Lead Manager to the Offer. Please refer to Section 8.5 for the details of the underwriting and Lead Manager terms.

## **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Shares offered by this Prospectus should be considered as speculative.

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# IMPORTANT NOTICE

## THIS PROSPECTUS

The Offer contained in this Prospectus is an invitation to purchase 1 Share for every 3 Shares held by Eligible Shareholders at the Record Date on 2 July 2020 at an issue price of \$0.012 (1.2 cents) per Share (**Offer Price**) together with 1 free attaching New Option (exercise at \$0.024 (2.4 cents) with an expiry date of three years from date of issue) for every 3 Shares subscribed for and issued, to raise up to approximately \$4.29 million (“the **Offer**”).

The Entitlement Offer includes a top up facility under which Eligible Shareholders can apply to take up their Shares and New Options in excess of their pro-rata entitlement (**Top Up Facility**).

The Entitlement Offer is fully underwritten and lead managed by Lazarus Corporate Finance Pty Limited (**Lead Manager**). Applications under the Top Up Facility will only be considered to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms set out in Section 4 of this Prospectus.

This Prospectus is dated 22 June 2020. A copy of this Prospectus was lodged with the ASIC on that date. No responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates is taken by ASIC or ASX or their respective officers.

No Shares will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

The Offer does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety before deciding whether to invest in the Company. In particular, you should consider the risk factors that could affect the performance of the Company and you should carefully consider these factors in the light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest. A number of key risk factors that you should consider are outlined in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person is authorised to provide any information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company, its directors, the Lead Manager, or any other person in connection with the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into its possession should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and for options to acquire continuously quoted securities. It has been prepared in accordance with section 713 of the Corporations Act and does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

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## **ELECTRONIC PROSPECTUS**

This Prospectus is available in electronic form at [www.patrys.com](http://www.patrys.com). This Prospectus is only available in electronic form to residents of Australia and New Zealand in Australia and New Zealand. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is attached to a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

## **DEFINITIONS AND ABBREVIATIONS**

Defined terms and abbreviations used in this Prospectus are explained in the Glossary.

## **PRIVACY**

If you apply for Shares and New Options, you will provide personal information to the Company and the Registry. The Company and the Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

Tax and company law requires you to supply some of the information to be collected in connection with your Application. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

The Company and the Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988:

- The Lead Manager in order to assess your Application;
- The Registry for ongoing administration of the Register;
- The printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail.

The information may also be disclosed to members of the Group and to their agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

Under the Privacy Act 1988, you may request access to your personal information held by (or on behalf of) the Company or the Registry. You can request access to your personal information by telephoning or writing to the Company through the Registry.

You can obtain a copy of the Company's privacy policy electronically at [www.patrys.com](http://www.patrys.com).

## **COMPANY'S WEBSITE**

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference.

## **FINANCIAL AMOUNTS**

All financial amounts contained in this Prospectus are expressed in Australian currency unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

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## **FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the Company. Forward-looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions.

The forward-looking statements, opinions and estimates contained in this Prospectus are based on assumptions and contingencies which are subject to change without notice, as are any statements about market and industry trends, which are based on interpretations of current market conditions. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company and its officers, employees, agents and associates, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Prospectus in light of those disclosures.

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## 1 Investment Summary

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### Offer statistics

Offer Price per Share	\$0.012 (1.2 cents)
Shares available under the Offer	357,530,108
Total proceeds from the Offer	\$4,290,000
Shares on issue prior to the Offer	1,072,590,325
Shares on issue at completion of the Offer	1,430,120,433
Market Capitalisation following offer at Offer Price	\$17,161,445

### Indicative timetable

Entitlement Offer opens (9.00am AEST)	7 July 2020
Entitlement Offer closes (5.00pm AEST)	29 July 2020
Deferred settlement trading on ASX commences (11.00am AEST)	30 July 2020
Settlement of Entitlement Offer	5 August 2020
Issue and allotment of Shares and New Options	5 August 2020
Expected commencement of trading of Shares and New Options on ASX on a normal settlement basis	6 August 2020
Expected dispatch of holding statements	7 August 2020

These dates are indicative only and subject to change. All dates are in reference to AEST. The Company reserves the right, subject to the Corporations Act and other applicable laws, to vary the dates and times, including closing the Offer early or extending the close of the Offer, without notifying any recipients of this Prospectus or any Applicants.

### Key Risks

Set out below is a summary of risks associated with an investment in the Company. This list is not exhaustive. Other risks associated with an investment in the Company are set out in Section 5 of this Prospectus. Prospective Applicants should read the entire Prospectus before applying for Shares under the Offer.

(a) Innovative technological development:

The Company's product range includes candidates that are in pre-clinical development and need to be further tested before they can progress to human clinical trials. Pre-clinical and clinical development of the Company's product candidates could take several years to complete, and might fail for a number of reasons including but not limited to lack of efficacy, failure to obtain regulatory approval, difficulty or failure to manufacture the Company's products on a large scale, or toxicity.

(b) Regulatory risks:

The research, development, manufacture and sale of products deploying the Company's technology is subject to a number of regulations prescribed by government authorities in Australia and overseas. Generally, there is a high rate of failure for drug candidates proceeding through pre-clinical and clinical trials. Further, even if the Company views the results of a trial to be positive, the FDA or other regulatory authorities may disagree with the Company's interpretation of the data. Thus, any product deploying Patrys' technology may be shown to be unsafe, non-efficacious, difficult or impossible to manufacture on a large scale,

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uneconomical to market, compete with superior products marketed by third parties, fail to secure meaningful reimbursement approval, or not be as attractive as alternative treatments.

(c) Dependence on service providers and third-party collaborators:

The Company relies upon independent third-party service providers and third-party collaborators including academic institutions to complete the development and commercialisation of its products. The Company therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, which in turn could negatively impact the progress or success of the Company's product development efforts.

The COVID-19 pandemic creates particular risks and challenges for the Company, which outsources both research and manufacturing activities, as operational progress may be slowed or arrested as jurisdictions and suppliers respond to differing conditions.

(d) Reliance on key personnel:

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) Intellectual Property:

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property including maintaining patent protection for its product candidates and their respective targets. The Company owns, or has licensed issued and pending patent applications covering a range of antibodies, cell lines, molecular targets, potential drug candidates and platform technologies. The prospect of attaining patent protection for products such as those Patrys proposes to develop is highly uncertain and involves complex and continually evolving factual and legal questions. The Company may incur significant costs in prosecuting, or defending its intellectual property rights.

(f) Competition risk:

The biotechnology and bio-pharmaceutical sectors are highly competitive and subject to rapid and significant technology change. The development of therapeutics is very difficult and demanding; even more so if this competition is against competitors who may have larger resources than the Company. A number of companies, both in Australia and overseas, may be developing products that target similar markets that Patrys is targeting. Patrys may face competition from companies with superior technologies or greater resources. As a result, there is the risk that the Company may be beaten to the market by one or more competitors.

(g) Currency risk:

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. The Company carries on part of its business outside of Australia and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian dollar.

(h) Requirement to raise additional funding:

The Company may be required to raise additional funds in the future. There is no guarantee that Patrys will be able to raise such additional capital when it is required, or on terms satisfactory to the Company. If the Company is unsuccessful

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in obtaining funding when required, Patrys may need to delay, scale down or cease its operations.

(i) Risk of delay and continuity of operations:

Patrys may experience delays in achieving some or all of its milestones, including but not limited to product development, completion of trials, obtaining regulatory approvals manufacturing delays, or delays in sales or out licensing. The Company is also dependent on amongst other things its technology, key personnel and information technology systems. Any disruption or delay to any key inputs could impact adversely on the Company.

(j) COVID-19:

At the time of issue of this Prospectus, the COVID-19 global pandemic is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent the Company from undertaking its operations and intended programs and may impact the Company's ability to raise capital in the near to medium term future.

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## 2 Chairman's Letter

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22 June 2020

Dear Shareholder,

On behalf of Patrys Limited (**Patrys**), I am pleased to invite you to participate in a 1 for 3 fully underwritten non-renounceable pro rata entitlement offer of Shares at an offer price of \$0.012 (1.2 cents) per Share (**Offer Price**) to raise gross proceeds of approximately \$4,290,000 (**Entitlement Offer**). Eligible Shareholders who accept the entitlement offer will also receive 1 New Option for every 3 Shares subscribed for and issued, exercisable at \$0.024 (2.4 cents) per New Option on or before the date which is 3 years from the date of issue.

The proceeds of the Entitlement Offer will be used to provide capital for the ongoing development of the Company's assets including PAT-DX1, expansion of the broader Deoxymab platform, for working capital and to pay the costs of the Entitlement Offer.

The Entitlement Offer includes a Top Up Facility under which Eligible Shareholders can apply to take up Shares and New Options in excess of their pro-rata entitlement.

The Entitlement Offer is lead managed and fully underwritten by Lazarus Corporate Finance Pty Limited (see Section 4.20 for further details).

### Entitlement Offer

The number of Shares for which you are entitled to subscribe under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is accessible from the Offer Website: [patrysoffer-ri.online.computershare.com](http://patrysoffer-ri.online.computershare.com).

The Offer Price of \$0.012 (1.2 cents) per Share represents a 14.3% discount to the closing price of \$0.014 per share on 17 June 2020 and a 18.4% discount to the 10-day volume weighted average price of \$0.0147 per share to 17 June 2020.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable. I encourage you to consider this offer carefully. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of the Company, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours faithfully,



**John D. Read**  
**Chairman**  
**Patrys Limited**

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### 3 Investment Overview

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#### Important Notice

This section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

#### Objectives

The purpose of the Offer is to provide capital for the Company as it progresses the development of its lead asset PAT-DX1 towards a possible clinical trial and initiates broader platform development activities for the Deoxymab platform. Funds will also be used for working capital and to pay the costs of the Entitlement Offer.

Indicative timetable

Event	Date
Company announces Entitlement Offer and lodges Prospectus with ASX and ASIC	22 June 2020
Ex-date	1 July 2020
Record Date for the Entitlement Offer	2 July 2020
Dispatch of Prospectus and Entitlement and Acceptance Form to Eligible Shareholders via Offer Website	7 July 2020
Entitlement Offer opens	7 July 2020
Last day to extend the Closing Date of the Entitlement Offer	24 July 2020
Entitlement Offer closes	29 July 2020
Shares and New Options quoted on a deferred settlement basis	30 July 2020
Announcement of results of Entitlement Offer	3 August 2020
Settlement of Entitlement Offer	5 August 2020
Allotment of Shares and New Options under the Entitlement Offer	5 August 2020
Normal trading of Shares and New Options issued under the Entitlement Offer expected to commence on ASX	6 August 2020
Dispatch of holding statements	7 August 2020

The timetable above is indicative only and may be subject to change without notice. The Company, with the consent of the Lead Manager, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to amend or vary any or all of the dates and times without notice. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice.

The commencement of quotation of Shares and New Options is subject to confirmation from ASX.

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## Purpose of Funds and Use of Proceeds

The funds raised from the Offer are intended to be applied as follows:

The proceeds of the Entitlement Offer will be used to provide capital for the Company as it progresses the development of its lead asset PAT-DX1 towards a possible clinical trial and initiates broader platform development activities for the Deoxymab platform. Funds will also be used for working capital and the costs of the Entitlement Offer.

## Capital Structure Post Issue

Shareholder	Number of Shares	%
Existing Shareholders	1,072,590,325	75.0
Investors under the Offer	357,530,108	25.0
Total	1,430,120,433	100.0

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## 4 Details of the Offer

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### 4.1 Description of the Offer

This Prospectus constitutes an offer by Patrys of 1 Share for every 3 Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.012 (1.2 cents) per Share (together with one 1 free attaching New Option for every 3 Shares subscribed for and issued).

### 4.2 Purpose of the Offer and use of Offer Proceeds

The purpose of the Offer is to provide capital for the Company as it progresses the development of its lead asset PAT-DX1 towards a possible clinical trial and initiates broader platform development activities for the Deoxymab platform. Funds will also be used for working capital and to pay the costs of the Entitlement Offer.

### 4.3 Offer Structure

The Entitlement Offer is a 1 for 3 fully underwritten non-renounceable pro rata entitlement offer of Shares at an Offer Price of \$0.012 (1.2 cents) per Share to raise gross proceeds of approximately \$4,290,000. Eligible Shareholders who accept the entitlement offer will also receive 1 New Option for every 3 Shares subscribed for and issued, exercisable at \$0.024 (2.4 cents) per New Option on or before the date which is 3 years from the date of issue.

No Shares are being offered to the general public.

All Shares offered for subscription under this Prospectus rank equally with each other and with Existing Shares. Further details of the rights and liabilities attaching to the Shares is set out in Section 7.1 of this Prospectus.

All New Options issued under this Prospectus will be issued on the terms and conditions set out in Section 7.2 of this Prospectus. All Shares issues on exercise of the New Options will rank equally with the Shares on issue at the date of exercise.

### 4.4 Entitlement Offer

The Entitlement Offer is open to shareholders who have a registered address in Australia or New Zealand. The Entitlement Offer opens at 9.00am AEST on 7 July 2020 and closes at 5.00pm AEST on 29 July 2020.

### 4.5 Top Up Facility

The Entitlement Offer incorporates a Top Up Facility under which Eligible Shareholders can apply for Shares and New Options in excess of their pro rata entitlement (**Additional Securities**). The issue of Additional Securities under the Top Up Facility will be dependent on there being a shortfall in the take up of pro rata entitlements under the Entitlement Offer.

Eligible Shareholders who wish to apply for Additional Securities under the Top Up Facility can do so by specifying the number of Additional Securities they wish to apply for when they apply for Shares via the Offer Website.

(a) *Allocation of shortfall amongst applicants under the Top Up Facility*

If Eligible Shareholders submit applications under the Top Up Facility, any allocation of a shortfall under the Entitlement Offer amongst those applicants will be considered and determined at the discretion of Patrys' Board in conjunction with the Underwriter.

Related parties of Patrys, other than disclosed in this Prospectus, will not be entitled to participate in the Top Up Facility. For this purpose, 'related parties' has the meaning given in the ASX Listing Rules and includes Patrys' directors and certain persons connected with them.

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(b) *No certainty regarding allocations*

As a consequence of the arrangements described above, there can be no guarantee of the number of Additional Securities available to Eligible Shareholders under the Top Up Facility. Eligible Shareholders who apply for Additional Securities under the Top Up Facility will be bound to accept any lesser number of Additional Securities allocated to them in accordance with the allocation procedure described above. If you do not receive all of the Additional Securities you applied for, any excess application monies will be returned to you without interest.

#### **4.6 Minimum Subscription**

As the Entitlement Offer is fully underwritten, there is no minimum subscription.

#### **4.7 Your Entitlement**

Your Entitlement is set out on the personalised Entitlement and Acceptance Form accessible via the Offer Website: [patrysosffer-ri.online.computershare.com](http://patrysosffer-ri.online.computershare.com) and has been calculated as 1 Share for every 3 existing Shares you held as at the Record Date, together with 1 New Option for every 3 Shares subscribed for and issued. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of Shares and New Option.

If you have more than one registered holding of Shares, you will have a separate Entitlement for each separate holding and a personalised Entitlement and Acceptance Form for each Entitlement which will be accessible via the Offer Website: [patrysosffer-ri.online.computershare.com](http://patrysosffer-ri.online.computershare.com).

You should consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the risk factors included in Section 5 of this Prospectus.

#### **4.8 Options available to you**

If you are an Eligible Shareholder, you may:

- take up all your Entitlement in full and, if you do so, you may also apply for Additional Securities under the Top Up Facility (see Section 4.9); or
- take up part of your Entitlement and the rest of your Entitlement will lapse (see Section 4.10); or
- do nothing and allow your Entitlement to lapse (see Section 4.11).

#### **4.9 If you wish to take up all your Entitlement or take up all of your Entitlement and participate in the Top Up Facility**

If you wish to take up all of your Entitlement, you must:

- (a) access the Offer Website: [patrysosffer-ri.online.computershare.com](http://patrysosffer-ri.online.computershare.com), and pay your Application Money via direct debit by following the instructions set out on the personalised Entitlement and Acceptance Form accessible via the Offer Website;
- (b) if you are a New Zealand shareholder you may access the Offer Website and obtain instructions to pay via EFT; or
- (c) if you are a custodian, please refer to the communication sent to you from the Registry for instruction on how to apply and pay,

in each case, by no later than 5.00pm (AEST) on 29 July 2020. If you apply to take up all of your Entitlement, you may also apply for Additional Securities under the Top Up Facility. Patrys may treat amounts it receives in excess of the Offer Price multiplied by your Entitlement as an Application to apply for as many Additional Securities in the Top Up Facility as will be paid in full from the excess amounts.

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If your Application for Additional Securities under the Top Up Facility is accepted in whole or in part, your Shares and New Options will be issued to you at the same time that other Shares and New Options are issued under the Entitlement Offer. There is no guarantee that you will be allocated any additional Shares and New Options.

#### **4.10 If you wish to take up part of your Entitlement and let the balance lapse**

If you wish to take up part of your Entitlement, you must:

- (a) access the Offer Website: [patrysosffer-ri.online.computershare.com](http://patrysosffer-ri.online.computershare.com) and pay your Application Money for the relevant part via direct debit by following the instructions set out on the personalised Entitlement and Acceptance Form accessible via the Offer Website; or
- (b) if you are a New Zealand shareholder you may access the Offer Website and obtain instructions to pay via EFT; or
- (c) If you are a custodian, please refer to the communication sent to you from the Registry for instruction on how to apply and pay,

in each case, by no later than 5.00pm (AEST) on 29 July 2020.

Any of your Entitlement which you do not take up will lapse. Your percentage shareholding in the Company will be diluted accordingly.

If the Company receives an amount from you that is less than the Offer Price multiplied by your Entitlement, the Company may treat your payment as an Application for as many Shares and New Options as your Application Money will pay in full and the balance of your Entitlement will lapse.

#### **4.11 If you wish to do nothing and allow your Entitlement to lapse**

If you do not wish to take up all or any part of your Entitlement, you do not need to take any further action. Your Entitlement will lapse and your percentage shareholding in the Company will be diluted accordingly.

#### **4.12 Consequences when an Entitlement lapses**

If you do not accept all or part of your Entitlement in accordance with the relevant instructions and all or part of your Entitlement lapses, the Shares and New Options to which you would otherwise have been entitled under the Entitlement Offer may be acquired by the Lead Manager or any sub-underwriters.

By allowing all or part of your Entitlement to lapse, you will forego any exposure to increases or decreases in the value of Shares and New Options you would have received had you taken up your Entitlement and you will not receive any value for your Entitlement. Your percentage shareholding in the Company will be diluted accordingly.

#### **4.13 Payment**

You can pay in the following ways:

- by direct debit via the Offer Website: [patrysosffer-ri.online.computershare.com](http://patrysosffer-ri.online.computershare.com);
- if you are a New Zealand shareholder you may access the Offer Website and obtain instructions to pay via EFT; or
- If you are a custodian, please refer to the communication sent to you from the Registry for instruction on how to apply and pay.

Cash payments will not be accepted. Receipts for payment will not be issued.

The Company will treat you as applying for as Shares and New Options as your payment will pay for in full up to your Entitlement.

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Any Application Money received for more than your final allocation of Shares and New Options will be refunded via direct credit to the bank account you specify soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Money received or refunded.

(a) *Payment by direct debit*

To pay by direct debit follow the instructions on the personalised Entitlement and Acceptance Form located on the Offer Website: [patryosffer-ri.online.computershare.com](http://patryosffer-ri.online.computershare.com). You can only pay via direct debit if you are the holder of an account with an Australian financial institution that supports direct debit transactions.

If you are paying by direct debit, you must ensure you maintain enough cleared funds in your bank account in order to pay for your shares. Funds will be deducted either overnight on the day of application or the following business day. In the case you have insufficient funds your application will be cancelled and you will be sent a notification asking you to reapply.

(b) *Payment by EFT*

To pay by EFT, you must first complete your personalised Entitlement and Acceptance Form via the Offer Website in accordance with the instructions on the form and make payment via your financial institution using the instructions provided.

Your payment must be:

- for an amount equal to \$0.012 (1.2 cents) multiplied by the number of Shares that you are applying for; and
- in Australian currency institution paid to the bank account specified on the offer website. Payment cannot be made in New Zealand dollars.

If you make payment via EFT, with your Application Money must be received at the Registry no later than the close of the Entitlement Offer, being 5.00pm (AEST) on 29 July 2020.

#### **4.14 Brokerage, Commission and Stamp Duty**

No brokerage, commission or stamp duty is payable by Applicants upon acquisition of Shares under the Offer.

#### **4.15 ASX Quotation of Shares issued under the Offer**

The Company will apply within seven days after the date of this Prospectus for admission to the Official list of ASX and quotation of the Shares issued under the Offer on ASX. All contracts formed on acceptance of Applications under the Entitlement Offer will be conditional on the quotation of the Shares on ASX. If the Shares are not admitted to quotation within three months after the date of this Prospectus, Application Monies will be refunded to the Applicant as soon as practicable (without interest). Subject to approval being granted by ASX, it is expected that the Shares will be issued to successful Applicants on 5 August 2020.

Subject to approval being granted by ASX, it is expected that the Shares issued under the Offer will be issued on 5 August 2020 and that Quotation of the Shares will commence on ASX on a normal basis on 6 August 2020. It is the responsibility of all Applicants to determine their allocation prior to trading in Shares issued under the Offer. Applicants who trade or otherwise deal with Shares before they receive holding statements will do so at their own risk. The Company disclaims all liability in tort (including negligence), statute or otherwise to persons who trade or otherwise deal with Shares issued under the Offer before receiving holding statements.

ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may approve Quotation of the Shares issued under the Offer is not to be taken in any way as an indication of

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the merits of the Company or the Shares (or accompanying New Options) offered under this Prospectus.

#### **4.16 ASX Quotation of New Options**

Application will only be made to the ASX for the New Options offered by this Prospectus to be granted Quotation if the Company will meet the minimum requirements for Quotation of the New Options.

Under the ASX Listing Rules, in order for ASX to approve Quotation of the New Options, at least 100,000 New Options must be issued under this Prospectus and those New Options must be held by a minimum of 50 eligible holders who each hold a marketable parcel of New Options (within the meaning given to that term in the procedures of the ASX Market Rules) and all of the other requirements of the ASX Listing Rules applying to the quotation of an additional class of securities must be satisfied. The Company anticipates these conditions will be satisfied, however there is no guarantee of this. If these conditions are satisfied, the Company proposes, after the Closing Date, to make an application to the ASX for the New Options offered by this Prospectus to be granted Quotation. However, the Offer is not conditional upon the making of such an application, or on the New Options being granted Quotation, and there is no representation that this application will be made and/or that the New Options will be granted Quotation.

If ASX does not grant Quotation of the New Options offered pursuant to this Prospectus, or if the Company does not meet the minimum requirements to be granted Quotation of the New Options, then the New Options will still be issued, however will not be quoted on ASX.

If ASX grants Quotation of the New Options, it is expected that Quotation of the New Options will commence on ASX on 5 August 2020. It is the responsibility of all Applicants to determine their allocation prior to trading in New Options. Applicants who trade or otherwise deal with New Options before they receive holding statements will do so at their own risk. The Company disclaims all liability in tort (including negligence), statute or otherwise to persons who trade or otherwise deal with New Options before receiving holding statements.

ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may approve Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options offered under this Prospectus.

#### **4.17 CHESS and Holding Statements**

The Company is a participant in ASX's Clearing House Electronic Sub-register System (CHESS), in accordance with the Listing Rules and the ASTC Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in a paperless form.

Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASTC will send you a CHESS statement. The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the issuer sponsored sub register, your statement will be sent by the Company's share registrar and will contain the number of Securities issued to you under this Prospectus and your security reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holding changes.

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Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

#### **4.18 Electronic Prospectus**

The Offer constituted by this Prospectus is available electronically only to Australian and New Zealand residents accessing and downloading or printing the electronic version of this Prospectus within Australia and New Zealand. Australian and New Zealand residents may view this Prospectus online at the Offer Website: [patrysosffer-ri.online.computershare.com](http://patrysosffer-ri.online.computershare.com).

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

#### **4.19 Taxation**

Investors wishing to apply for Shares and New Options in the Offer should give consideration to the tax implications of any such investment. Different taxation circumstances will apply to different investors, depending on factors such as whether the investor is a resident or a non-resident of Australia for taxation purposes and whether the investor is an individual, a company, a trust, or a complying superannuation fund. Accordingly, potential investors are advised to seek their own taxation advice before investing in the Company.

#### **4.20 Underwriting**

The Shares offered under this Prospectus have been fully underwritten by the Lead Manager at the Offer Price. A summary of the Underwriting Agreement, including fees payable to the Lead Manager and termination provisions, is set out in Section 8.5.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shares, including with Chief Executive Officer, James Campbell and Chairman, John D Read. Dr Campbell and Mr Read have waived any entitlement to be paid fees in respect of their sub-underwriting. The maximum potential increase in voting power of Dr Campbell and Mr Read as a result of this sub- underwriting arrangement is set out below.

<b>Name</b>	<b>Sub-Underwritten Shares</b>	<b>Sub-Underwritten Value</b>	<b>Current Voting Power</b>	<b>Voting Power Post Offer*</b>
James Campbell	4,166,667	\$50,000	29,546	4,196,213
John D. Read	4,166,667	\$50,000	7,721,911	11,888,578

\*This figure assumes that (i) all Shares are issued pursuant to the Offer; and (ii) that Dr Campbell and Mr Read are obliged to subscribe for all of their respective sub-underwritten Shares pursuant to their sub-underwriting agreement.

#### **4.21 Foreign Selling Restrictions**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares and New Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended and Shares and New Options will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

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## **New Zealand**

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **4.22 Right to Vary of Withdraw Offer**

The Lead Manager, in consultation with the Company, has the right to vary any of the dates set out in this Prospectus relating to the Offer, without notice to any recipient of this Prospectus or any Applicant. This includes, although is not limited to, varying the length of the Offer Period.

The Lead Manager, via termination of the Underwriting Agreement, may terminate the Offer, in which case all Application Monies will be returned (without interest) to the respective Applicants.

### **4.23 Enquiries**

If you require assistance to complete the Entitlement and Acceptance Form, you should contact the Company on +61 3 9692 7222 during the Offer Period.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

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## **5 Risk Factors**

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### **5.1 Introduction**

An investment in the Shares and New Options being offered under this Prospectus involves risks that may be higher than the risks associated with an investment in other companies. Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

The future performance of the Company and the future investment performance of the Shares and New Options may be influenced by a range of factors. Many are outside the control of the Company. Prior to making any decision to accept the Offer, investors should carefully consider the following risk factors applicable to the Company.

The risks described below are not to be taken as exhaustive. The specific risks considered and others not specifically referred to may in the future materially affect the financial performance of the Company and the value of the Shares and New Options offered under this Prospectus.

Careful consideration should be given to the risk factors set out in this Section, as well as the other information contained in this Prospectus and the Applicant's own knowledge and enquiries, before an investment decision is made. Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation. There are also general risks associated with any investment in Shares.

An investment in the Company should be regarded as speculative and investors should be in a position to bear the loss of their entire investment. Prospective investors should specifically consider the risk factors contained within this Section and the other information contained in this Prospectus in light of their own personal circumstances and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

### **5.2 Risks Specific to an Investment in the Company**

In addition to the general market and economic risks noted above, investors should be aware of the risks specific to an investment in Patrys. The major risks are described below.

(a) Innovative technological development:

The Company's product range includes candidates that are in pre-clinical development and need to be further tested before they can progress to human clinical trials. Pre-clinical and clinical development of the Company's product candidates could take several years to complete, and might fail for a number of reasons including but not limited to lack of efficacy, failure to obtain regulatory approval, difficulty or failure to manufacture the Company's products on a large scale, or toxicity. There is no guarantee that Patrys' products will be commercially successful.

(b) Regulatory risks:

The research, development, manufacture and sale of products deploying the Company's technology is subject to a number of regulations prescribed by government authorities in Australia and overseas. Generally, there is a high rate of failure for drug candidates proceeding through pre-clinical and clinical trials. Further, even if the Company views the results of a trial to be positive, the FDA or other regulatory authorities may disagree with the Company's interpretation of the data. Thus, any product deploying Patrys' technology may be shown to be unsafe, non-efficacious, difficult or impossible to manufacture on a large scale, uneconomical to market, compete with superior products marketed by third parties,

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fail to secure meaningful reimbursement approval, or not be as attractive as alternative treatments.

(c) Dependence on service providers and third party collaborators:

The Company relies upon independent third party service providers and third party collaborators including academic institutions to complete the development and commercialisation of its products. The Company therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, which in turn could negatively impact the progress or success of the Company's product development efforts.

The COVID-19 pandemic creates particular risks and challenges for the Company, which outsources both research and manufacturing activities, as operational progress may be slowed or arrested as jurisdictions and suppliers respond to differing conditions.

(d) Reliance on key personnel:

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) Intellectual Property:

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property including maintaining patent protection for its product candidates and their respective targets. The Company owns or has licensed issued and pending patent applications covering a range of antibodies, cell lines, molecular targets, potential drug candidates and platform technologies. The prospect of attaining patent protection for products such as those Patrys proposes to develop is highly uncertain and involves complex and continually evolving factual and legal questions. The Company may incur significant costs in prosecuting or defending its intellectual property rights.

(f) Competition risk:

The biotechnology and bio-pharmaceutical sectors are highly competitive and subject to rapid and significant technology change. The development of therapeutics is very difficult and demanding; even more so if this competition is against competitors who may have larger resources than the Company. A number of companies, both in Australia and overseas, may be developing products that target similar markets that Patrys is targeting. Patrys may face competition from companies with superior technologies or greater resources. As a result, there is the risk that the Company may be beaten to the market by one or more competitors.

(g) Currency risk:

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. The Company carries on part of its business outside of Australia and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian dollar.

(h) Requirement to raise additional funding:

The Company may be required to raise additional funds in the future. There is no guarantee that Patrys will be able to raise such additional capital when it is required, or on terms satisfactory to the Company. If the Company is unsuccessful

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in obtaining funding when required, Patrys may need to delay, scale down or cease its operations.

(i) Risk of delay and continuity of operations:

Patrys may experience delays in achieving some or all of its milestones, including but not limited to product development, completion of trials, obtaining regulatory approvals manufacturing delays, or delays in sales or out licensing. The Company is also dependent on amongst other things its technology, key personnel and information technology systems. Any disruption or delay to any key inputs could impact adversely on the Company.

(j) Underwriting Risk

The Company has entered into an Underwriting Agreement under which the Underwriter has agreed to fully underwrite the Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have a material adverse impact on the proceeds raised under the Offer. Termination of the Underwriting Agreement could materially adversely affect the Company's business, cash flow, financial condition and results. See section 8.5 for further details of the Underwriting Agreement.

(k) COVID-19:

At the time of issue of this Prospectus, the COVID-19 global pandemic is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent the Company from undertaking its operations and intended programs and may impact the Company's ability to raise capital in the near to medium term future.

### 5.3 General Risks

(a) Market conditions

The stock market, and in particular, the market for biotech companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the Shares and New Options, regardless of the Company's operational performance.

The price at which Securities are quoted on ASX may increase or decrease due to a number of factors outside the Company's control and which are not explained by the fundamental operations and activities of the Company, including unpredictable influences on the market for securities in general and biotech stocks in particular. These factors may cause the Securities to trade at prices above or below the price at which the Securities were initially acquired. There is no assurance that the price of the Securities will increase if they are quoted on ASX. Some of the factors which may affect the price of the Securities include:

- fluctuations in the domestic and international market for listed stocks
- general economic conditions in both Australia and internationally, including interest rates, inflation rates, exchange rates, commodity prices
- inclusion in or removal from market indices
- changes to government fiscal, monetary or regulatory policy, legislation or regulation

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- the nature of competition in the markets and industries in which the Company operates
  - the introduction of taxation reform
  - general operational and business risks.
- (b) Liquidity
- There can be no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. There may be relatively few buyers or a relatively high number of sellers of Securities on ASX at any given time. This may increase the volatility of the market price of Securities. It may also affect the market price at which Shareholders are able to sell their Securities.
- (c) Additional requirements for capital
- The future capital requirements of the Company will depend on many factors including its business development activities. Should the Company seek to raise further funds, there can be no assurance that additional financing will be available when needed or, if available, on terms acceptable to the Company. Any inability to obtain additional finance, if required, may have a material adverse effect on the Company's business and its financial condition and performance. Further, any additional capital raised may dilute Shareholders' interests in the Company.
- (d) Force Majeure
- Events may occur within or outside Australia that could affect investor sentiment or impact upon the global and Australian economies, the operations of the Company and the price of the Securities. These events include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events. These events can have an adverse effect on the demand for the Company's goods and services and its ability to conduct business. The Company has only a limited ability to insure against some of these risks.
- (e) Insurance
- The Company insures its business and operations. However, the Company's insurance may not be of a nature or level to provide adequate insurance cover to insure against the occurrence of all events that may impact on the operations of the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial conditions and results of the Company.
- (f) Litigation risk
- There is a risk that the Company may in the future be the subject of or require to commence litigation, mediation or arbitration. The impact of such actions may have a material adverse impact on the Company.
- (g) Changes in tax rules or their interpretation
- Changes in tax law, or changes in the way tax laws are interpreted may impact the tax liabilities of the Company, Shareholder returns, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions.

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(h) Changes in accounting standards

Australian Accounting Standards are issued by the Australian Accounting Standards Board and are not within the control of the Company and its Directors. Any changes to the accounting standards or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

## 6 Purpose and effect of the Offer

### 6.1 Effect of the issue on the Company

The principal effect of the issue of the Shares and New Options on the Company will be to:

- (a) increase the cash reserves of the Company by approximately \$4,290,000 (before costs);
- (b) increase the number of Shares on issue in the Company as a consequence of the issue of Shares by up to 357,530,108;
- (c) issue New Options to Shareholders who take up their Entitlement on a 1 for 3 basis, the maximum number of New Options that may be granted will be up to 119,176,703 and subsequently the maximum number of Shares issued on exercise of such New Options, will be up to 119,176,703; and
- (d) issue of 7,500,000 New Options to the Lead Manager and subsequently the maximum number of Shares issued on exercise of such New Options, will be 7,500,000.

### 6.2 Pro forma statement of financial position after the Entitlement Offer

Set out below is a pro forma statement of financial position for the Company, based on the reviewed half year consolidated statement of financial position as at 31 December 2019 adjusted to reflect the Entitlement Offer and assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date. This has been prepared on the basis of the accounting policies normally adopted by the Company.

The pro forma financial statement is presented in an abbreviated form in so far as it does not include all disclosures required by the Australian Accounting Standards applicable to annual financial statements. The pro forma financial statement is not audited.

	Reviewed	Pro forma adjustments			Unaudited
	31 December 2019	Movement in cash <sup>1</sup>	Entitlements issue	Cost of capital raising <sup>2</sup>	Proforma Financials
<b>Assets</b>					
Cash and cash equivalents	5,570,600	(1,389,872)	4,290,361	(64,950)	8,406,139
Trade and other receivables	119,072	56,770			175,842
Other	82,126	130,842			212,968
<b>Total current assets</b>	<b>5,771,798</b>	<b>(1,202,260)</b>	<b>4,290,361</b>	<b>(64,950)</b>	<b>8,794,949</b>
<b>Non-current assets</b>					
Property, plant and equipment	4,991				4,991
Intangibles	551,249				551,249
<b>Total non-current assets</b>	<b>556,240</b>				<b>556,240</b>
<b>Total assets</b>	<b>6,328,038</b>	<b>(1,202,260)</b>	<b>4,290,361</b>	<b>(64,950)</b>	<b>9,351,189</b>
<b>Liabilities</b>					
Trade and other payables	380,447	(101,523)			278,924
Employee benefits	155,195				155,195
<b>Total liabilities</b>	<b>535,642</b>	<b>(101,523)</b>	-	-	<b>434,119</b>
<b>Net assets</b>	<b>5,792,396</b>	<b>(1,100,737)</b>	<b>4,290,361</b>	<b>(64,950)</b>	<b>8,917,070</b>
<b>Equity</b>					
Issued capital	67,066,992		4,290,361	(375,472)	70,981,881
Reserves	1,159,799			310,522	1,470,321
Accumulated losses	(62,434,395)	(1,100,737)			(63,535,132)
<b>Total Equity</b>	<b>5,792,396</b>	<b>(1,100,737)</b>	<b>4,290,361</b>	<b>(64,950)</b>	<b>8,917,070</b>

<sup>1</sup>: Movement in Cash and cash equivalents between 1 January 2020 and 31 May 2020

<sup>2</sup>: Costs of Offer include management fees, underwriters fees, legal fees, regulatory fees, share registry fees and valuation of broker options. Costs details are outlined in Section 8.9

### 6.3 Potential effect on Company share structure

As at the date of this Prospectus the issued capital of the Company is as follows:

Type of security	Securities prior to the Entitlement Offer
Fully paid ordinary shares	1,072,590,325
Unlisted Options exercisable, subject to satisfaction of vesting conditions, at \$0.0072 on or before 1 July 2021	2,500,000
Unlisted Options exercisable, subject to satisfaction of vesting conditions, at \$0.0072 on or before 24 November 2021	24,000,000
Unlisted Options exercisable at \$0.0072 on or before 19 April 2022	250,000
Unlisted Options exercisable at \$0.0613 on or before 1 July 2022	2,500,000
Unlisted Options exercisable at \$0.0613 on or before 15 March 2023	500,000
Unlisted Options exercisable at \$0.02 on or before 18 April 2023	2,500,000
Unlisted Options exercisable, subject to satisfaction of vesting conditions, at \$0.035 on or before 22 November 2023	32,000,000
Unlisted Options exercisable at \$0.029 on or before 15 March 2024	3,000,000
Unlisted Options exercisable at \$0.029 on or before 31 August 2024	1,500,000
Unlisted Options exercisable at \$0.035 on or before 30 September 2024	4,000,000
Unlisted Options exercisable at \$0.022 on or before 15 March 2025	2,750,000
Unlisted Options exercisable at \$0.017 on or before 8 May 2025	250,000

The capital structure of the Company will be affected by the issue of Shares and New Options under the Entitlement Offer and the exercise of those New Options, which will result in additional Shares being issued.

If all the Entitlements are taken up, the maximum number of Shares that would be issued is 357,530,108 and the maximum number of New Options that would be issued is 119,176,703 and the number of New Options issued to the Underwriter is 7,500,000 (see section 8.5 for further details of the issue of New Options to the Lead Manager). If all the existing Options and the New Options are exercised, the maximum number of shares that would be issued is 202,426,703.

The actual effect on the Share capital of the Company will differ depending on how many Entitlements are taken up and the time at which the Options are exercised.

The potential effect on the issued ordinary share capital of the Company if all of the Entitlements are taken up and all Options are exercised is set out in the following table:

Type of security	Securities on issue
Shares (prior to Entitlement Offer)	1,072,590,325
Maximum number of Shares to be issued assuming all Entitlements are taken up	357,530,108*
<b>Total Shares on issue</b>	1,430,120,433
Options (prior to Entitlement Offer)	75,750,000
New Options assuming all Entitlements are taken up	119,176,703*
Number of New Options to be issued to the Lead Managers	7,500,000
Total Options on issue after completion of the Offer	202,426,703
<b>Maximum number of Shares on issue assuming all Options are exercised</b>	1,632,547,136

\*This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of Shares and New Options under the Offer

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## 7 Rights and liabilities attaching to Securities

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### 7.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice

The Shares issued under the Entitlement Offer will rank equally in all respects with the Company's existing Shares. The rights attaching to Shares, including Shares issued under the Entitlement Offer, are set out in the Company's Constitution (a copy of which is available at [www.patrys.com](http://www.patrys.com)), and as regulated by the Corporations Act, the ASX Listing Rules and the general law.

<b>General meetings</b>	Each Shareholder is entitled to be present in person, or by proxy or representative to attend and vote at general meetings of the Company. Each Shareholder is entitled to receive notices of general meetings of the Company.
<b>Requisitioning meetings</b>	Each Shareholder may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.
<b>Voting</b>	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders:</p> <ol style="list-style-type: none"><li>a. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;</li><li>b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and</li><li>c. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).</li></ol>
<b>Dividends</b>	<p>Subject to the rights of any preference Shareholders, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid is of the total amounts paid and payable in respect of such Shares.</p> <p>The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the</p>

	<p>Directors, for any purpose for which the profits of the Company may be properly applied.</p> <p>Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.</p>
<b>Rights on winding up</b>	If the Company is wound up, the Shares attract the right to participate equally in the distribution of the surplus assets of the Company.
<b>Transfer of shares</b>	Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.
<b>Future increase in capital</b>	The issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.
<b>Variation of rights</b>	It at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied with the consent in writing of the holders of 75% of the issued shares of that class or if authorized by a special resolution passed at a meeting of the holders of the shares of that class.

## 7.2 Rights and liabilities attaching to New Options

The following is a broad summary of the rights, privileges and restrictions attaching to the New Options. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the option holders.

<b>Entitlement</b>	Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
<b>Exercise Price</b>	Subject to any reconstruction of capital, the amount payable upon exercise of each New Option will be \$0.024 (2.4 cents).
<b>Expiry Date</b>	Each New Option will expire at 5:00 pm (AEST) on that date which is three years from the date of issue of the Options. A New Option not exercised before the Option Expiry Date will automatically lapse on the Option Expiry Date.

<b>Exercise Period</b>	The New Options are exercisable at any time on or prior to the Option Expiry Date.
<b>Notice of Exercise</b>	The Company will provide to each New Option holder a notice that is to be completed when exercising the New Options ( <b>Notice of Exercise</b> ). The New Options may be exercised during the Exercise Period by providing to the Company the Notice of Exercise accompanied by payment in full of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
<b>Exercise Date</b>	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds.
<b>Timing of issue of Shares on exercise</b>	<p>Within 15 Business Days after the Exercise Date, the Company will:</p> <ol style="list-style-type: none"> <li>a. allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;</li> <li>b. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and</li> <li>c. if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.</li> </ol> <p>If a notice delivered under clause (b) is not effective for any reason to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, within 20 Business Days after becoming aware that the notice is ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.</p>
<b>Shares issued on exercise</b>	Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.
<b>Quotation of shares issued on exercise</b>	If admitted to the Official List of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.
<b>Reconstruction of capital</b>	If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner

	consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
<b>Participation in new issues</b>	There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
<b>Change in exercise price</b>	An New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
<b>Transferability</b>	The New Options are transferable subject to the terms of the Corporations Act and the ASX Listing Rules and to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## 8 Additional Information

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### 8.1 Continuous disclosure obligations

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations. These obligations require the Company to continuously disclose to ASX information about specified events and matters as they arise for the purposes of making that information available to the market. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning the Company which a reasonable person would expect to have a material effect on the price or value of securities in the Company.

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act. While it contains information in relation to the effect of the issue of Securities on the Company and the rights attaching to the Securities, it does not include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. It does not include all of the information that would be included in a prospectus for an initial public offering of securities in a company that is not already listed on a stock exchange. Investors should have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Information that is already in the public domain has not been included in this Prospectus other than to the extent considered necessary to make this Prospectus complete.

Copies of any documents in relation to the company which are lodged with ASIC (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of the following to any person on request free of charge to any person on request between the date of issue of this Prospectus and the Closing Date:

- (a) the annual financial report most recently lodged with ASIC by the Company;
- (b) any half-year report lodged with ASIC after lodgement of that annual financial report and before lodgement of this Prospectus; and
- (c) any continuous disclosure notices given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of that annual financial report and before lodgement of this Prospectus.

A list of the continuous disclosure documents lodged by the Company with ASX after the lodgement of the 2019 annual financial report and before the lodgement of this Prospectus with ASIC is set out below:

Date	Announcement
18 June 2020	Investor Presentation – June 2020
18 June 2020	Trading Halt
10 June 2020	Appendix 3G
28 May 2020	Change of Auditor

18 May 2020	US grants fund PAT-DX1 and PAT-DX1-NP targeting brain tumors
11 May 2020	New appointment to Scientific Advisory Board
27 April 2020	Appendix 4C - Quarterly - 31 March 2020
16 March 2020	Ceasing to be a substantial holder
16 March 2020	PAT-DX1 mechanism for crossing blood brain barrier confirmed
2 March 2020	PAT-DX1-NP crosses BBB and targets tumours
24 February 2020	Appendix 4D - Half Year Accounts - 31 December 2019
30 January 2020	Appendix 4C - Quarterly - 31 December 2019
20 January 2020	PAT-DX1 to be Showcased at International Conference
21 November 2019	Results of Annual General Meeting
21 November 2019	Chairman's Address and CEO Presentation to 2019 AGM
7 November 2019	Patrys Receives R&D Tax Incentive Refund
29 October 2019	Appendix 4C - Quarterly - 30 September 2019
18 October 2019	Notice of Annual General Meeting/Proxy Form
14 October 2019	Change of Director's Interest Notice
9 October 2019	Appendix 3B
4 October 2019	Initial Director's Interest Notice
1 October 2019	Dr. Pamela M. Klein appointed as Non-Executive Director
17 September 2019	Appendix 3B
23 August 2019	PAB Business Review - 30 June 2019
23 August 2019	Appendix 4G and Corporate Governance Statement

## 8.2 No excluded information

As at the date of this notice, other than as set out in this Prospectus, there is no information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
  - (ii) the rights and liabilities attaching to the Securities.

### 8.3 Interests of Directors

Except as set out in this Prospectus, no Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- the Offer; or
- any property acquired or proposed to be acquired by the Company, respectively, in connection with its formation or promotion or the Offer, other than in their capacity as a Shareholder.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of the Company, or the Offer.

As at the Prospectus Date, the Directors have a relevant interest in securities of the Company as set out below and are:

Director	Shares held	Options held by Directors or their associates	Entitlement (Shares)
John D Read	7,721,911	6,000,000	2,573,970
James Campbell	29,546	25,000,000	9,849
Michael Stork*	98,773,814	4,000,000	-*
Suzy Jones*	3,000,000	4,000,000	-*
Pamela Klein*	250,000	4,500,000	-*

\*These Directors are not Eligible Shareholders as they reside outside of Australia and New Zealand. As such, these Directors will not participate in the Offer.

### 8.4 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	Price per Share	Date
Highest	\$0.016	5 June 2020
Lowest	\$0.011	26 March 2020
Last	\$0.014	17 June 2020

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## 8.5 Underwriting Agreement

By an agreement between Lazarus Corporate Finance Pty Limited and the Company (**Underwriting Agreement**), the Underwriter agreed to fully underwrite the Offer of 357,530,108 Shares and 119,176,703 New Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter a management fee of 1% of the underwritten amount (approximately \$42,900) and an underwriting fee of 5% of the underwritten amount (excluding any amounts received from the Directors and their related entities) (approximately \$214,500) ; and
- (b) issue the Underwriter with 7,500,000 New Options.

The Underwriting fee will be paid at the time of issue of the Shortfall Securities.

All sub-underwriting fees and commissions will be paid by the Underwriter. Dr Campbell and Mr Read have waived any entitlement to be paid fees in respect of their sub-underwriting.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Indices fall:** the S&P ASX 200 or S&P ASX 300 Index closes on any two Business Day from the date of the Underwriting Agreement at a level that is 10% or more below the level of the Index at the close of trading on the Business Day before the date of the Underwriting Agreement.
- (b) **Prospectus:** the Company does not lodge this Prospectus with ASIC on the lodgement date or this Prospectus or the Offer is withdrawn by the Company.
- (c) **Supplementary Prospectus**
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (o)(v) below, forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus (as that term is defined in the Underwriting Agreement) in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter.
- (d) **Non-compliance with disclosure requirements:** it transpires that this Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the underwritten Securities.
- (e) **Misleading Prospectus:** it transpires that there is a statement in this Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from this Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in this Prospectus becomes misleading or deceptive

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or likely to mislead or deceive or if the issue of this Prospectus is or becomes misleading or deceptive or likely to mislead or deceive.

- (f) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results (as that term is defined in the Underwriting Agreement) or any part of the Verification Material (as that term is defined in the Underwriting Agreement) was materially false, misleading or deceptive or that there was a material omission from them.
- (g) **Proceeding:** ASIC or any other person conducts any enquiry, investigation or proceedings, or takes any regulatory action or seeks any remedy, in connection with the Offer or the Offer Materials (as that term is defined in the Underwriting Agreement), or publicly foreshadows that it may do so.
- (h) **Unable to issue Underwritten Securities:** the Company is prevented from allotting and issuing the underwritten Securities within the time required by the timetable, Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Authority.
- (i) **Future matters:** any statement or estimate in the Offer Materials which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe.
- (j) **No quotation Approval:** the Company fails to lodge an Appendix 3B in relation to the underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation.
- (k) **ASIC application:** an order is made under Section 1324B or any other provision of the Corporations Act in relation to this Prospectus, the Shortfall Notice Deadline Date (as that term is defined in the Underwriting Agreement) has arrived, and that application has not been dismissed or withdrawn.
- (l) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect (as that term is defined in the Underwriting Agreement).
- (m) **Authorisation:** any authorisation which is material to anything referred to in this Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably.
- (n) **Indictable offence:** a director of the Company is charged with an indictable offence.
- (o) **Termination Events:** subject to the statement below, any of the following events occurs:
  - (i) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic Peoples' Republic of Korea or the Peoples Republic of China or any member of the European Union.
  - (ii) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking.
  - (iii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect.

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- (iv) **Contravention of constitution or Act:** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
  - (v) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company (as that term is defined in the Underwriting Agreement).
  - (vi) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results or any part of the Verification Material was materially false, misleading or deceptive or that there was a material omission from them.
  - (vii) **Significant change:** a “new circumstance” as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor.
  - (viii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or this Prospectus, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act.
  - (ix) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive.
  - (x) **Official Quotation qualified:** the official quotation is qualified or conditional other than as set out in the Underwriting Agreement.
  - (xi) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
  - (xii) **Prescribed Occurrence:** a Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs, other than as disclosed in this Prospectus.
  - (xiii) **Suspension of debt payments:** the Company suspends payment of its debts generally.
  - (xiv) **Event of Insolvency:** an Event of Insolvency (as that term is defined in the Underwriting Agreement) occurs in respect of a Relevant Company.
  - (xv) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$500,000 is obtained against a Relevant Company and is not set aside or satisfied within 14 days.
  - (xvi) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company, except as disclosed in this Prospectus and to the due diligence committee.

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- (xvii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld).
  - (xviii) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer, a matter disclosed in this Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company.
  - (xix) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 2 Business Days without the prior consent of the Underwriter;
  - (xx) **Force Majeure:** a Force Majeure (as that term is defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs.
  - (xxi) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter.
  - (xxii) **Capital Structure:** any Relevant Company alters its capital structure in any manner not contemplated by this Prospectus other than as a result of:
    - (i) a buyback of Shares under the Company's loan funded share plan;
    - (ii) the issue of Options pursuant to the Company's executive option plan; or
    - (iii) the issue of Shares upon the exercise of any Options which have been disclosed to the ASX as at the date of this Agreement.
  - (xxiii) **Breach of Material Contracts:** any of the Contracts (as that term is defined in the Underwriting Agreement) are terminated or substantially modified.
  - (xxiv) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The events of termination listed above do not entitle the Underwriter to exercise its rights under clause the Underwriting Agreement unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 8.6 Directors' remuneration

2020	Cash salary and fees	Super	Equity-settled Options	TOTAL
John Read	95,000		25,344	120,344
James Campbell	317,577	21,003	63,360	401,940
Suzy Jones	89,365		12,672	102,037
Michael Stork			12,672	12,672
Pamela Klein	67,440		34,970	102,410
<b>TOTAL</b>	<b>569,382</b>	<b>21,003</b>	<b>149,018</b>	<b>739,403</b>
2019	Cash salary and fees	Super	Equity-settled Options	TOTAL
John Read	95,000		72,518	167,518
James Campbell	305,022	25,000	74,369	404,391
Suzy Jones	83,922		58,159	142,081
Michael Stork			58,159	
<b>TOTAL</b>	<b>483,944</b>	<b>25,000</b>	<b>263,205</b>	<b>772,149</b>
2018	Cash salary and fees	Super	Equity-settled Options	TOTAL
John Read	95,000			95,000
James Campbell	279,951	20,052	16,667	316,670
Suzy Jones	77,216			77,216
<b>TOTAL</b>	<b>452,167</b>	<b>20,052</b>	<b>16,667</b>	<b>488,886</b>

## 8.7 Interests of advisers

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- the Lead Manager to the Offer,

holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- the Offer; or
- any property acquired or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of the Company or the Offer. The amounts below are exclusive of GST.

Lazarus Corporate Finance Pty Limited has acted as Lead Manager and Underwriter to the Offer. The Company has agreed to pay the amounts referred to in Section 8.5 for these services.

Arnold Bloch Leibler ('**ABL**') has acted as Australian legal adviser to the Company in connection with the Offer and has performed work in relation to the Australian due diligence enquiries on legal matters. The Company has agreed to pay \$32,000 to ABL for such services to the date of this Prospectus. Further amounts may be paid to ABL in accordance with its usual time-based charge out rates.

Computershare Investor Services Pty Limited has been appointed to act as the Registry of the Company in relation to the Offer. The Company has agreed to pay approximately \$10,900 to Computershare for those services to the date of this Prospectus.

## **8.8 Consents and disclaimers of responsibility**

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

Lazarus Corporate Finance Pty Ltd has given its written consent to being named as Lead Manager and Underwriter to the Offer in this Prospectus, in the form and context in which it is named. Lazarus Corporate Finance Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC

Arnold Bloch Leibler has given its written consent to being named as the solicitors to the Company in this Prospectus, in the form and context in which it is named. Arnold Bloch Leibler has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the Share Registry for the Company in this Prospectus, in the form and context in which it is named. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

No entity referred to above has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the persons referred to above expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, except those specifically attributed to each of them in this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given above.

## **8.9 Costs of the Offer**

The costs in connection with the Offer (including advisory, legal, accounting, tax, stamp duty, listing and administrative fees, as well as printing, advertising and other expenses) are currently estimated to be approximately \$375,472. The Company will pay these costs of the Offer.

<b>COSTS</b>	<b>\$</b>
Management Fee	42,904
Underwriting Fee	214,518
Legal Fees	32,000
Company Secretarial Fees	7,000
Share Registry Fees	10,900
ASIC Fees	3,200
<b>TOTAL CASH COSTS</b>	<b>310,522</b>
<b>Non-Cash Costs</b>	
Underwriter Options Valuation	64,950
<b>TOTAL INCLUDING NON-CASH COST</b>	<b>375,472</b>

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### **8.10 Litigation and claims**

So far as the Directors are aware, other than as described in this Prospectus, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

### **8.11 Governing law**

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Victoria, Australia and each Applicant submits to the exclusive jurisdiction of the courts of Victoria, Australia.

### **8.12 ASX admission and quotation**

The Company will apply to ASX for admission to the official list and quotation of the Shares on the exchange operated by the ASX within seven days of the date of this Prospectus.

### **8.13 Expiry Date**

No Shares will be issued on the basis of this Prospectus after the Expiry Date.

### **8.14 Statement of Directors**

The issue of this Prospectus by the Company has been authorised by each of the Directors of the Company. Each Director of the Company has consented to the lodgement of this Prospectus with ASIC and its issue, and has not withdrawn that consent.



.....  
John D Read  
Chairman  
For and on behalf of Patrys Limited

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## 9 Glossary

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<b>Term</b>	<b>Meaning</b>
AEST	Australian Eastern Standard Time.
Applicant	A Shareholder who accepts its Entitlement under the Entitlement Offer pursuant to this Prospectus.
Application	An application for Shares and New Options under this Prospectus
Application Monies	The monies payable in connection with an Application, being the amount of money to be paid in respect to the Entitlement and Acceptance Form.
ASIC	Australian Securities and Investments Commission.
ASTC Settlement Rules	The settlement rules of the ASX Settlement & Transfer Corporation Pty Ltd (ABN 49 008 504 532).
ASX	ASX Limited (ABN 98 008 624 691).
Board	The Board of Directors of the Company.
CHESS	Clearing House Electronic Subregister System, operated in accordance with the Corporations Act.
Closing Date	The date on which the Offer closes, being 29 July 2020. This date and time may be varied by the Lead Manager, in consultation with the Company, without prior notice.
Company or Patrys Limited	Patrys Limited (ACN 123 055 363)
Company Secretary	The company secretary of the Company.
Constitution	The Constitution of the Company.
Corporate Directory	The Corporate Directory at the back of this Prospectus.
Corporations Act	Corporations Act 2001 (Cth).
Directors	The directors of the Company.
EFT	means an electronic funds transfer made to the Company's bank account as notified on the Entitlement and Acceptance Form.
Eligible Shareholders	means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.
Entitlement and Acceptance Form	An entitlement and acceptance form accessible via the Offer Website by completion of which Applications for Shares can be made.
Exercise Period	The exercise period is the period on and from the date on which the News Options are issued up to any time on or prior to the Option Expiry Date.
Exercise Price	The exercise price payable upon exercise of each New Option will be \$0.024 (2.4 cents).
Existing Shareholders	The Shareholders of the Company as at the date of this Prospectus
Existing Shares	The shares held by the Existing Shareholders as at the date of this Prospectus.
Expiry Date	Being 13 months after the date of this Prospectus.
FDA	The Food and Drug Administration.
Group	The Company and its subsidiaries and controlled entities or any one or more of them.

Ineligible Shareholder	A Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.
Lead Manager or Underwriter	Lazarus Corporate Finance Pty Limited
Listing Rules	The listing rules of ASX.
Market Capitalisation	Total market value of the Company on ASX on the Closing Date.
New Options	New Options to be issued under the Offer.
New Zealand Shareholder	A shareholder as at the Record Date whose registered address is in New Zealand
Non-executive Director	Non-executive Director of the Company.
Offer	Offer of Shares and Options under this Prospectus.
Offer Period	The period from the date on which the Entitlement Offer opens on 7 July 2020 until the Closing Date.
Offer Price	\$0.012 (1.2 Cents) per Share
Offer Website	patrysoffer-ri.online.computershare.com being the website where Shareholders can access this Prospectus and their personalised Entitlement and Acceptance Form
Official List	The official list of entities that ASX has admitted and not removed from listing.
Option	An option to be issued a Share.
Option Expiry Date	Being 3 years after the date on which the New Options are issued.
Option Plan	The option plan of the Company.
Prospectus	This document (including the electronic form of this Prospectus), and any supplementary or replacement Prospectus in relation to this document.
Prospectus Date	The date of this Prospectus.
Quotation	Official quotation on ASX.
Record Date	The date specified in the timetable set out at the commencement of this Prospectus.
Register	The Company's share register.
Registry	Computershare Investor Services Pty Limited
Settlement	The date on which the Shares are allocated to successful Applicants.
Shares	Fully paid ordinary shares in the capital of the Company.
Shareholder	An owner of Shares.
Underwriting Agreement	The underwriting agreement entered into by the Company and the Lead Manager as described in Section 8.5.

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## 10 Corporate Directory

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<p>Directors</p> <p>John Read - Chairman James Campbell – Executive Director and CEO Michael Stork – Non-Executive Director Suzy Jones – Non-Executive Director Pamela Klein – Non-executive Director</p>	<p>Registered Office</p> <p>Level 4, 96-100 Albert Road South Melbourne VIC 3205</p>
<p>Company Secretary</p> <p>Melanie Leydin</p>	<p>Registry</p> <p>Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067, Melbourne, Australia</p>
<p>Lead Manager and Underwriter</p> <p>Lazarus Corporate Finance Pty Limited Level 32, 152 St Georges Terrace Perth, Western Australia, 6000</p>	<p>Legal Advisers to the Offer</p> <p>Arnold Bloch Leibler Level 21 333 Collins Street Melbourne VIC 3000</p>