



ASX & Media Release

\$7.3M Capital Raising to Fund Expanded Deoxymab Program through to First-In-Man Studies

Key highlights

- Firm commitments received for \$2.5 million Placement to institutional and sophisticated investors
- Launch of fully underwritten, non-renounceable, one (1) for six (6) Rights Issue to raise gross proceeds of approximately \$4.8 million
- Issue price for the Placement and the Rights Issue of \$0.02, being a 4.8% discount to the most recent closing price and a 15.7% discount to the 15 day VWAP
- One (1) listed option will be issued for every three (3) new shares subscribed for and issued in the Placement and Rights Issue, exercisable at \$0.04 per option and expiring three (3) years from the date of issue, expected to be listed
- Proceeds will significantly bolster Patrys' financial position and provide funds for:
 - The anticipated clinical trial of PAT-DX1 commencing in or before H1 2022,
 - Expansion of the Company's business development activities,
 - Acceleration of development of the broader deoxymab platform including the full IgG antibody PAT-DX3 and nanoparticle conjugation (PAT-DX1-NP),
 - Initiation of an antibody drug conjugate (ADC) program, and
 - Offer costs, working capital, and business development and corporate activities

Melbourne, Australia; 9 November 2020: Patrys Limited (ASX: PAB, "Patrys" or the **Company**), a therapeutic antibody development company, is pleased to announce a material \$7.3 million capital raising via a placement and rights issue.

Patrys Chief Executive Officer and Managing Director, Dr. James Campbell said: "This is a transformational capital raising for Patrys that positions the Company to effectively leverage the wide range of therapeutic opportunities provided by its unique deoxymab platform. The funds are expected to allow the Company to complete all the pre-clinical studies and manufacturing required to initiate the anticipated first-in-man studies of PAT-DX1."

"Patrys can now also focus on realising the breadth of the platform, by accelerating the development of the PAT-DX3 (full sized antibody) program, and advancing the PAT-DX1-NP (conjugated nanoparticle) program. Importantly, funds will also be applied to a new program on antibody drug conjugates (ADCs) based on deoxymab assets. There is significant international interest in ADCs at present, and Patrys believes that the unique attributes of deoxymabs (tumour agnostic, and able to cross the blood brain barrier) make them attractive to explore as potential new ADC therapeutics. Patrys also believes that a potential clinic-ready asset complemented by substantial pre-clinical data on platform applications will make a more compelling partnering opportunity. The Company has a strong track record of attracting grant and non-dilutive funds to advance its programs and will pursue such avenues to support the activities described above" Dr. Campbell said.



Placement

The Company has received firm commitments in relation to a single tranche placement to institutional and sophisticated investors pursuant to s708 of the Corporations Act 2001 (Cth) for the issue of 125.0 million fully paid ordinary shares (**Shares**) at \$0.02 per share to raise gross proceeds of \$2.5 million before costs (**Placement**). The Placement participants will be entitled to one (1) free attaching three (3) year option exercisable at \$0.04 for every three (3) new Shares issued (**New Option**).

Placement Shares will be issued utilizing Patrys' placement capacity under ASX Listing Rule 7.1A (125 million shares). The Placement fee shares and Placement Options (including attaching options in relation to the Placement fee) will be issued under Patrys' placement capacity under ASX Listing Rule 7.1 (7.5 million shares and 44.17 million options). The Placement Shares are expected to be issued on Monday, 16 November 2020, with the New Options to be issued at the time of settlement of the Rights Issue.

The Company will pay a placement fee of 6% to Territory Funds Management Pty Ltd, payable in shares at a deemed issue price of \$0.02 cents per share together with attaching options on the same terms as the placement participants.

Rights Issue

Patrys is also launching a fully underwritten, non-renounceable rights issue on the basis of one (1) new Share for every six (6) shares held, at \$0.02 per Share, with one (1) free attaching three (3) year option exercisable at \$0.04 for every three (3) new Shares issued, to raise approximately \$4.8 million before costs (**Rights Issue**). The New Options are expected to be listed on the ASX subject to receipt of approval from ASX.

Patrys is also offering Eligible Shareholders the right to increase their shareholding in the Company (**Share Top Up Facility**) should there be any shortfall under the Rights Issue.

Eligible Shareholders are those shareholders with a registered address within Australia or New Zealand as at 7.00 p.m. (AEDT) on 12 November 2020 (**Record Date**). Shareholders with a registered address outside Australia or New Zealand at the Record Date (**Excluded Shareholders**) will not be eligible to participate in either the Rights Issue or the Share Top Up Facility.

The Issue Price of \$0.02 per Share is a 15.7% discount to the 15 day volume weighted average price to 4 November 2020 of \$0.0237.

The Rights Issue is fully underwritten by Lazarus Corporate Finance Pty Ltd (**Underwriter**). The Underwriter will be entitled to a management fee of 1.0% and an underwriting fee of 5.0% of the total funds raised in the Rights Issue, as well as 5.8 million New Options.

The structure of the capital raising has been designed to cater for significant demand from institutional and sophisticated investors whilst also providing the opportunity for existing Eligible Shareholders to participate on the same terms as placees, in the Rights Issue. The Share Top Up Facility has been



included to provide the maximum opportunity for existing Patrys shareholders to subscribe for further shares in the Company.

The proceeds raised pursuant to the Placement and Rights Issue will be used to support the development of PAT-DX1 as it progresses towards an anticipated clinical trial in H1 2022, to accelerate development of the broader Deoxymab platform including the full IgG antibody PAT-DX3, nanoparticle conjugation (PAT-DX1-NP), initiation of a program of deoxymab antibody drug conjugation (ADC) as well as funding operations, offer costs, working capital, and other business development and corporate activities.

The Rights Issue and Share Top Up Facility is being undertaken in accordance with section 713 of the Corporations Act 2001 (Cth) pursuant to a transaction specific prospectus (**Prospectus**) that will be issued on or about today which will contain further details on the Rights Issue.

The proposed timetable* for the Placement, Rights Issue and Share Top Up Facility is as follows:

Event	Date
Company announces Placement and Entitlement Offer and lodges Prospectus with ASX and ASIC for the Entitlement Offer	9 November 2020
Ex-date	11 November 2020
Record Date for the Entitlement Offer	12 November 2020
Settlement of the Placement Shares	13 November 2020
Allotment and Issue of the Placement shares	16 November 2020
Dispatch of Prospectus and Entitlement and Acceptance Form to Eligible Shareholders via the Offer Website	17 November 2020
Entitlement Offer opens	17 November 2020
Last day to extend the Closing Date of the Entitlement Offer	3 December 2020
Entitlement Offer closes	8 December 2020
Shares and New Options quoted on a deferred settlement basis	9 December 2020
Announcement of Results of Entitlement Offer	11 December 2020
Settlement of Entitlement Offer	15 December 2020
Allotment of Shares, Placement Options and New Options under the Entitlement Offer	16 December 2020
Normal trading of Shares, Placement Options and New Options issued under the Entitlement Offer expected to commence on ASX	17 December 2020
Dispatch of holding statements	18 December 2020

* Note: 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 the ASX.



Full details of the Rights Issue and the Share Top Up Facility will be contained in the Prospectus available on the ASX and the Company's websites.

The Rights Issue is available electronically only to Australian and New Zealand residents accessing and downloading or printing the electronic version of the Prospectus within Australia and New Zealand. Australian and New Zealand residents may view the Prospectus online at the Offer Website: patrysoffer-ri.online.computershare.com.

-Ends-

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

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About Patrys Limited

Based in Melbourne, Australia, Patrys (ASX:PAB) is focused on the development of its deoxymab platform of cell-penetrating antibodies as therapies for a range of different cancers. More information can be found at www.patrys.com.

About Patrys' deoxymab 3E10 platform:

Patrys' deoxymab platform is based on the deoxymab 3E10 antibody that was first identified as an autoantibody in a mouse model of the human disease systemic lupus erythematosus (SLE). While most antibodies bind to cell surface markers, deoxymab 3E10 penetrates into the cell nuclei and binds directly to DNA where it inhibits DNA repair processes. Cancer cells often have high levels of mutations and underlying deficiencies in the DNA repair mechanisms. For these reasons, the additional inhibition of the DNA repair processes by deoxymab 3E10 can kill cancer cells, but appears to have little impact on normal cells. As a single agent, deoxymab 3E10 has been shown to significantly enhance the efficacy of both chemo- and radiotherapies. Further, deoxymab 3E10 can be conjugated to nanoparticles to target delivery of chemotherapeutics and imaging agents to tumours.



Patrys has developed two humanised forms of deoxymab 3E10, both which have improved activity over the original deoxymab 3E10 antibody. PAT-DX1 is a dimer (two joined subunits) of the short chain from the binding domain of deoxymab 3E10, while PAT-DX3 is a full-sized IgG antibody. In a range of pre-clinical studies, PAT-DX1 has shown significant ability to kill cancer cells in cell models, human tumour explants, xenograft and orthotopic models. PAT-DX1 has been shown to cross the blood brain barrier, reduce tumour size, and increase survival in multiple animal models of brain cancer, other cancers, and cancer metastases. PAT-DX1 is tumour-agnostic, meaning that it can target many different tumour types in the body, regardless of specific tumour antigens. Patrys believes that PAT-DX1 may have application across a wide range of cancers including gliomas, melanomas, prostate, breast, pancreatic and ovarian cancers.

Deoxymabs, such as PAT-DX1 and PAT-DX3, can be used to target nanoparticles carrying a payload of anti-cancer drugs specifically to tumours. This allows specific delivery of cancer drugs to multiple types of cancer while having minimal impact on normal, healthy cells.

Patrys' rights to deoxymab 3E10 are part of a worldwide license to develop and commercialize a portfolio of novel anti-DNA antibodies and antibody fragments, variants and conjugates discovered at Yale University as anti-cancer and diagnostic agents. Five patents covering the unconjugated form of deoxymab 3E10 (and derivatives thereof) have already been granted (Europe, Japan, China, and 2 in the USA), and one patent covering nanoparticle conjugation has been granted (Australia).