ASX & Media Release

28 January 2021

Quarterly Activities Report and 4C Quarterly Cash Flow Report

Highlights

- **Successfully raised $7.3m via a Placement and fully underwritten Rights Issue**
- **Material progress on development programs for both PAT-DX1 and PAT-DX3**
- **Data on PAT-DX1 presented at San Antonio Breast Conference**
- **Strong balance sheet with closing cash balance of $13.17M on 31 Dec 2020**

Melbourne, Australia; 28 January 2021: Patrys Limited (ASX: PAB, "**Patrys**" or the "**Company"**), a therapeutic antibody development company, today released its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow report for the quarter ended 31 December 2020.

Patrys Chief Executive Officer and Managing Director, Dr. James Campbell said: "Our successful $7.3M capital raise in November 2020 has provided Patrys with a robust balance sheet that will enable the Company to make significant progress across all of its development programs. Patrys now has sufficient funds to complete the manufacture of clinical-grade deoxymab antibodies, complete all required preclinical studies, and to initiate the first human clinical trial of PAT-DX1 in 1H 2022. In addition, Patrys has accelerated its programs for developing additional opportunities to leverage the unique properties of deoxymabs including; using PAT-DX1 for the targeted delivery of nanoparticles to cancer cells (PAT-DX1-NP), deoxymab-based antibody drug conjugates (ADCs), and alternate antibody formats of deoxymabs (PAT-DX3). We believe all of these programs have the potential to create significant additional value for both the Company and its shareholders."

R&D Update

During the quarter, Patrys made significant progress with the development of PAT-DX1. This included the final stages of the program focused on selecting a cell line for commercial scale production of

clinical-grade PAT-DX1 antibody. Success in this program has exceeded expectations, with multiple cell lines meeting prespecified selection criteria required for commercial scale production. As a result, the program has been extended and is now expected to conclude in mid-February 2021 with the final selection of a cell line. This extension will not affect the Company's previously advised development timeline, and Master Cell Banking will commence as scheduled in late February 2021. The Master Cell Line will be used in the commercial scale production of the clinical-grade material required to complete the final preclinical toxicology studies, and the anticipated Phase-1 clinical trial of PAT-DX1 in H1, 2022.

In December 2020, data from Patrys' preclinical studies were presented at the San Antonio Breast Cancer Symposium. This data demonstrates the ability of Patrys' PAT-DX1 deoxymab to cross the blood brain barrier, suppress metastatic tumour growth, and prolong survival in an animal model of triple negative breast cancer (TNBC) brain metastases. The poster presentation was titled, "*An ENT2-dependent, cell-penetrating, and DNA-damaging lupus autoantibody crosses the blood-brain barrier to target breast cancer brain metastases*".

In addition to presentations at scientific forums, awareness of the unique clinical opportunities that deoxymabs offer has been building as a result an active clinical engagement program being conducted by the Company. CEO Dr James Campbell and Board member Dr Pamela M. Klein have been holding key opinion leader (KOL) discussions with leading international neuro-oncologists. These discussions have confirmed the challenges for treating glioblastoma multiforme (GBM) and the limitations of the existing treatment options. Furthermore, they also confirmed that there is strong support and a sound rationale for testing the deoxymab platform as a single agent, combination therapy, or as antibody drug conjugates (ADC) to potentially provide much-needed, new treatment options for GBM.

In September 2020, Patrys announced it had added a humanised, full-length IgG, PAT-DX3, to its deoxymab portfolio. During the December quarter, Patrys completed studies that confirmed PAT-DX3 has the same DNA-binding and DNA Damage Repair (DDR) blocking properties as PAT-DX1. Given its full size, PAT-DX3 is expected to have different pharmaceutical properties (half-life, tissue distribution etc.) to PAT-DX1, which is an antibody fragment. These different pharmaceutical properties may open up additional opportunities to use Patrys' deoxymabs for different therapeutic applications. The Company expects to announce data on the initial characterisation of PAT-DX3 during Q1 2021.

Finally, a patent covering the use of Patrys' novel deoxymab platform for the targeted delivery of anticancer drugs using nanoparticles, has been granted in Australia. This patent covers the use of deoxymabs (both PAT-DX1 and PAT-DX3) conjugated to nanoparticles (NPs) for both the diagnosis and treatment of multiple types of cancer.

Corporate Update

During the quarter, Patrys successfully raised $7.3M via a Placement and fully underwritten Rights Issue. Patrys is extremely grateful for the strong support provided by its shareholders during 2020. Since 1 July 2020, the Company has completed two capital raisings for a total of $11.6M before costs. This has provided the Company with a robust balance sheet. Patrys now has sufficient funds to expand the deoxymab platform, complete the commercial-scale manufacture of clinical grade material and complete required preclinical studies for PAT-DX1. As a result, the Company has sufficient capital to be able to work towards initiating the first human clinical trial of PAT-DX1 in 1H 2022.

During the quarter ended 31 December 2020, Patrys had net cash outflows of A$667k, with A$290k invested in R&D activities. At the conclusion of the quarter, Patrys held A$13.17M in cash and remains in a strong financial position. Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 4C to this quarterly activities report were A$212k. These payments are related to executive director salaries and bonus, non-executive director fees and consulting services for the quarter.

-Ends-

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

For further information, please contact:

General enquiries
James Campbell
Chief Executive Officer
P: +61 3 96703273
info@patrys.com

Media enquiries:
Haley Chartres
H^CK
P: +61 423 139 163
haley@hck.digital

Registered Office Address
Level 4, 100 Albert Road
South Melbourne VIC 3205

About Patrys Limited

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

About Patrys' deoxymab 3E10 platform:

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 commercialise 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).

Appendix 4C

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

Name of entity	
PATRYS LIMITED	
ABN	**Quarter ended ("current quarter")**
97 123 055 363	31 December 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(290)	(764)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(206)	(356)
	(f) administration and corporate costs	(135)	(348)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	45	68
1.8	Other		
	- IP expenditure	(95)	(150)
	- Government Incentive	12	49
1.9	**Net cash from / (used in) operating activities**	**(667)**	**(1,499)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,330	11,620
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Share issue cost	(329)	(655)
3.10	**Net cash from / (used in) financing activities**	**7,001**	**10,965**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,018	3,981
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(667)	(1,499)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,001	10,965
4.5	Effect of movement in exchange rates on cash held	(183)	(278)
4.6	**Cash and cash equivalents at end of period**	**13,169**	**13,169**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	12,081	5,931
5.2	Call deposits	1,088	1,087
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**13,169**	**7,018**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	212
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

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

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

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(667)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13,169
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	13,169
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	19.74

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2021

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.