**ASX & Media Release**

**28 April 2021**

# Quarterly Activities Report and 4C Quarterly Cash Flow Report

## Highlights

- **Successfully optimised cell line for large scale manufacture of clinical grade PAT-DX1**
- **Additional patents covering new application for both PAT-DX1 and PAT-DX3 granted**
- **Preclinical studies show PAT-DX1 effective in animal models of two additional cancers**
- **Strong balance sheet with closing cash balance of $8M and an additional $4M in short-term deposits as at 31 March 2021**

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**Melbourne, Australia; 28 April 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 March 2021.

**Patrys Chief Executive Officer and Managing Director, Dr. James Campbell said:** "We are extremely pleased with the significant progress we have made during this quarter and remain focused in our efforts to get PAT-DX1 into clinical development in H1 2022. A critical step was establishing a high-yield cell line for the commercial production of PAT-DX1 and we were delighted that we had a number of promising candidates. This allowed us to add an additional round of selection which further improved the yield of our selected stable cell line. The patents that were granted during the quarter cover one of the most promising clinical opportunities for PAT-DX1 or PAT-DX3, which is their use in combination with existing therapies such as radio-sensitising agent(s). Finally, the potential for deoxymabs to be used in additional types of cancer was demonstrated in preclinical studies that were conducted during the quarter."

## R&D Update

During the quarter, Patrys successfully completed a number of key milestones required to commence first-in-man studies of its lead candidate, PAT-DX1, in H1 2022 and further progressed additional opportunities for its deoxymabs platform through studies it conducted in collaboration with its academic and commercial partners.

In February 2021, Patrys reported it had selected an optimised cell line for commercial scale production of clinical-grade PAT-DX1 antibody. Several candidate cell lines were developed which were suitable for large-scale production. Having multiple candidates allowed Patrys to include an addition selection step which further improved the yield and quality of the selected PAT-DX1 stable cell line. The selected cell line is fundamental for large scale production of the clinical-grade material required to complete the final preclinical toxicology studies, and the Phase 1 clinical trial of PAT-DX1 that is currently scheduled to start in 2022.

In March 2021, a patent was granted in the US which covers the use of Patrys' novel deoxymabs (PAT-DX1 and PAT-DX3) in combination with radiosensitising agent(s) until 2033. In addition to radiation, this includes commonly used cancer chemotherapy drugs that damage DNA such as cisplatin and doxorubicin. As has been demonstrated with the class of cancer drugs called PARP inhibitors, combining such radiosensitising agents with drugs that inhibit DNA damage repair, such as Patrys' deoxymabs, can provide a very effective therapeutic strategy for treating cancer patents. This patent further provides coverage for the use of PAT-DX1 and PAT-DX3 in multiple types of cancer until 2033.

During the quarter, the Company also completed additional preclinical studies that demonstrated PAT-DX1 is able to significantly reduce tumour growth in animal models of non-TNBC (triple negative breast cancer) and colon cancer. In previous studies, PAT-DX1 has been shown to significantly reduce tumour growth in animal models of TNBC and glioblastoma. These new data sets from additional cancer indications highlight the potentially broad utility for Patrys' deoxymabs to be incorporated into multiple types of cancer.

## Corporate Update

The capital raisings Patrys completed during calendar year 2020 have provided Patrys with sufficient funds to advance its deoxymab platform, complete the commercial-scale manufacture of clinical grade material, and complete required preclinical studies for PAT-DX1. This capital should support the Company's currently planned programs which are primarily focused on initiating the first human clinical trial of PAT-DX1 in H1 2022.

During the quarter ended 31 March 2021, Patrys had net operating cash outflows of A$1.202 million, with A$733k invested in R&D activities. At the close of the quarter, Patrys held A$8.009 million in cash and an additional $4.000 million in short-term investments, being term deposits with a maturity date greater than 3 months. Payments to related parties and their associates during the quarter, which are outlined in Section 6 of the accompanying Appendix 4C to this quarterly activity report, were A$139k. These payments include non-executive director fees and consulting services as well as salary (including superannuation) for the CEO and Managing Director.

**-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 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 March 2021 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (9 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) research and development | (733) | (1,497) |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | - | - |
| | (d) leased assets | - | - |
| | (e) staff costs | (148) | (504) |
| | (f) administration and corporate costs | (219) | (567) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | 2 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | 68 |
| 1.8 | Other | | |
| | - IP expenditure | (102) | (252) |
| | - Government Incentive | - | 49 |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,202)** | **(2,701)** |

| **2.** | **Cash flows from investing activities** | | |
|---|---|---|---|
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments in term deposit | (4,000) | (4,000) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 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** | **(4,000)** | **(4,000)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | 11,620 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 30 | 30 |
| 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 | (27) | (682) |
| **3.10** | **Net cash from / (used in) financing activities** | **3** | **10,968** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 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 | 13,169 | 3,981 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,202) | (2,701) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (4,000) | (4,000) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 3 | 10,968 |
| 4.5 | Effect of movement in exchange rates on cash held | 39 | (239) |
| **4.6** | **Cash and cash equivalents at end of period*** | **8,009** | **8,009** |

**In addition to the cash and cash equivalents balance above as at 31 March 2021, the Company holds an additional $4million in term deposits, classified in the statement of financial position as short-term investments.*

| 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 | 8,009 | 12,081 |
| 5.2 | Call deposits | | 1,088 |
| 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)** | **8,009*** | **13,169** |

**In addition to the cash and cash equivalents balance as at 31 March 2021, the Company holds an additional $4million in term deposits, classified in the statement of financial position as short-term investments.*

| 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 | 139 |
| 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**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*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) | (1,202) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 8,009 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 8,009 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | 6.66* |

*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.*

**In addition to the cash and cash equivalents balance noted above at 8.4, the Company holds an additional $4million in term deposits, classified in the statement of financial position as short-term investments, due to the maturity date being greater than 3 months. As a result, the estimated quarters of funding available will be greater than the figure provided in 8.5 due to holding these additional short-term investments. On a pro-forma basis with the $4million included, the Group would have estimated quarters of funding available amounting to 9.99.*

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 April 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.