

1. Company details

Name of entity:	Patrys Limited
ABN:	97 123 055 363
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

			\$
Loss from ordinary activities after tax attributable to the Owners of Patrys Limited	down	49.9% to	(3,539,150)
Loss for the year attributable to the Owners of Patrys Limited	down	49.9% to	(3,539,150)

Dividends

There were no dividends paid, recommended or declared during the current financial year.

Comments

The loss for the Group after providing for income tax amounted to \$3,539,150 (30 June 2023: \$7,061,624).

During the year, the Group had total other income of \$1,394,163 (2023: \$2,851,908), consisting of the R&D tax incentive of \$1,285,038 (2023: \$2,775,033) and interest income of \$109,125 (2023: \$76,875).

The Group's research and development expenditure during the financial year was \$3,071,793 (2023: \$7,524,812). This includes direct research and development activities associated with pre-clinical and manufacturing work, as well as wages, salaries and other overheads associated with research and development.

The Group had cash at bank at 30 June 2024 amounting to \$2,240,661 (30 June 2023: \$3,045,516). Excluding prepaid expenses, the working capital position at 30 June 2024 was \$2,893,697 (30 June 2023: \$6,200,682).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.15</u>	<u>0.31</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current Year

There were no dividends paid, recommended or declared during the current financial year.

Previous Year

There were no dividends paid, recommended or declared during the previous financial year.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Patrys Limited for the year ended 30 June 2024 is attached.

12. Signed

Signed Charmaine Gittleson

Date: 23 August 2024

patrys



ANNUAL REPORT
FY2024



Developing
novel antibodies,
for life

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From the Chairman

As I reflect on the past year, it is clear that Patrys' journey, like so many others in the global biotechnology industry, continues to be one of careful navigation through both challenges and potential opportunities.

The past year has presented challenges with the manufacturing of PAT-DX1. After a manufacturing delay in early CY 2023 we engaged independent experts to oversee the process at our Contract Development and Manufacturing Organisation (CDMO). They worked closely with our CDMO, ensuring rigorous standards and objectivity in our manufacturing processes, and helped us to address and mitigate risks.

A new batch of PAT-DX1 was produced at the start of CY 2024 using our production process, and we are currently waiting on the results of the specification testing which is required in order for the drug product to be released for possible use in clinical trials.

We remain committed to being guided by both scientific and commercial inputs, and always use the information and data from our studies as the fundamental basis that underpins our research and development decisions. Our collaborations have yielded compelling data over the past year, opening potentially promising avenues beyond cancer, particularly in the inflammation space. We are carefully evaluating these recent discoveries, to determine their significance as they potentially broaden our therapeutic reach and impact.

The biotechnology sector demands patience, perseverance, and an unwavering commitment to scientific excellence. While we have faced our share of challenges in dealing with a novel asset, we have also uncovered new possibilities that fuel our optimism for the future. Our team's dedication to innovation and problem-solving continues to motivate us.

We are focused on applying our learnings, prudently advancing our assets, and thoroughly evaluating the data emerging from our research and collaborations. Importantly too, we are committed to responsible stewardship of our resources and to protecting the investment of our loyal shareholders, as we navigate the complex landscape of drug development.

I want to express my sincere gratitude to our employees, partners, and shareholders for their continued support and belief in our mission. Together, we are navigating the complex landscape of biotechnology, turning challenges into opportunities, and striving to make a meaningful difference for patients.

Thank you for your ongoing trust and investment in our Company.

Sincerely,

Charmaine Gittleson

Dr Charmaine Gittleson
Patrys Chairman



Our People

Patrys' team comprises specialists in research, development, and innovation who are working together to progress our deoxymab technology and develop new approaches to tackling hard-to-treat diseases.

Board of Directors



Charmaine Gittleson

Chairman of the Board of Directors, BSc.MBBCh, GAICD

Dr. Gittleson is the former Chief Medical Officer of CSL Limited with more than 20 years of experience in pharmaceutical development. Her expertise spans many aspects of the pharmaceutical industry, from drug development and clinical research through to strategic planning and executive management.

She has successfully worked with regulators in key markets such as the US, EU, Asia Pacific, Japan and South America to register new products that address unmet medical needs. Dr. Gittleson is the Chair of Percheron Therapeutics Limited (ASX:PER) and a board member of George Medicines Pty Ltd.



James Campbell

Managing Director & Chief Executive Officer, BSc (Hons), PhD, MBA, GAICD

Dr. Campbell has more than 20 years of international biotechnology research, management and leadership experience and has been involved in the creation and/or transformation of multiple successful Australian and international biotechnology companies. Dr Campbell chairs the board of Australia's peak industry body for biotechnology, AusBiotech, and is a Non executive director of Prescient Therapeutics Limited (ASX:PTX).



Michael Stork

Non-Executive Director, BBA

Mr. Stork is the Managing Director of Stork Holdings Ltd, an Investment Holding company active in the Canadian technology startup sector. Mr. Stork previously served on the Board of Governors of the University of Waterloo and has served on the boards of a number of leading Canadian technology startup companies.



Pamela M. Klein

Non-Executive Director, BSc, MD

Dr. Pamela M. Klein completed her medical training at Stritch School of Medicine, Loyola University in Chicago, followed by internal medicine training at Cedars-Sinai, Los Angeles, prior to spending seven years working at the U.S. National Cancer Institute. Dr. Klein currently serves as an advisor to a range of different biotech and investment companies, with roles on Scientific Advisory Boards and Corporate Boards as well as broader advisory roles.

Management

Our Management Team brings a cross-section of experience and expertise in clinical and commercial development.



Valentina Dubljevic

Vice President, Research & Development, MBB, BSc, GAICD

Ms. Dubljevic is responsible for the pre-clinical and clinical development of Patrys' products. Ms. Dubljevic brings more than 20 years of scientific and commercial experience in the areas of antibody therapeutics, vaccine development and diagnostics.



Rebecca Tunstall

Vice President, Corporate Development, PhD, GAICD

Dr. Tunstall has an impressive track record in clinical development and stakeholder engagement in clinical research and development. She holds strong relationships with industry, government, regulators and research partners, both in Australia, and internationally.



Stefan Ross

Company Secretary, BBus (Accounting)

Stefan Ross has over 10 years of experience in accounting and secretarial services for ASX Listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, preparation of prospectus', and board and secretarial support. Mr Ross has a Bachelor of Business, majoring in Accounting.

Scientific Advisory Board

Our scientific advisors are globally sought-after specialists in their fields.



Peter Ordentlich, BSc, PhD

Dr. Peter Ordentlich completed a PhD in Immunology at the University of Pennsylvania and a Post-Doc at the Salk Institute for Biological Studies. He worked at X-Cepto Therapeutics, which was acquired by Exelixis in 2004, then in 2005 co-founded Syndax Pharmaceuticals, a NASDAQ-listed, clinical stage biopharmaceutical company developing an innovative pipeline of cancer therapies with three clinical stage assets.



Allen Ebens, BSc, PhD

Dr. Allen Ebens completed a PhD at UCLA and Post-doctoral training at UCSF. Over 20 years his distinguished career has seen significant contributions to the scientific literature as well as advancement of multiple discovery projects to clinical development at companies including Exelixis, Genentech and Juno Therapeutics.

Patrys Snapshot

Patrys' Deoxymabs: A novel therapeutic antibody platform

Patrys has developed a new type of antibody - deoxymabs - which are attracted to cancer cells that do not have traditional cell surface markers of disease. Instead, they bind to fragments of DNA that are released from cells when they die - the rate of cell death is much higher in cancer cells than in healthy cells, meaning that deoxymabs can be used to target cancer cells regardless of their location or type.

In animal experiments, Patrys has successfully demonstrated that deoxymabs are able to seek out and kill cancer cells in a variety of tissues anywhere in the body and can cross the blood brain barrier. This suggests that deoxymabs have the potential to be a versatile treatment for cancers, including brain cancers.

Recent studies into the mechanism of action of deoxymabs have shown that they inhibit the formation of neutrophil extracellular traps (NETs), a process that underpins a range of inflammatory conditions. Patrys' collaborators have expanded these studies and shown that unlike other agents that reduce NETosis, deoxymabs do not reduce neutrophil function – a particular advantage in fighting inflammatory diseases. These discoveries in inflammatory diseases have the potential to complement our existing development programs and provide increased flexibility for deoxymabs' potential to address diseases with significant unmet medical needs.

Unique attributes of Patrys' deoxymabs

Patrys' deoxymab antibodies exhibit several distinctive properties ideal for human therapeutic applications:

- **They target DNA:** Deoxymabs are anti-DNA antibodies and as such have the ability to target various DNA processes inside cells (cancer cells as well as others, including neutrophils) such as DNA repair and NETosis.
- **They cross the blood-brain barrier:** The blood-brain barrier (BBB) presents a significant challenge in treating primary and secondary brain cancers as it limits the passage of drugs and antibodies into the brain. Deoxymabs possess the ability to cross the BBB and reach neural tissues, opening new avenues for treating brain diseases.
- **They inhibit NETosis:** Excessive immune cell web formation (NETosis) contributes to the pathogenesis of cancer and many infectious, inflammatory, and autoimmune diseases. Deoxymabs significantly reduce NET formation in human neutrophils and reduce symptoms in an animal model of Anti-Neutrophil Cytoplasmic Antibody (ANCA) associated Vasculitis (AAV). Notably, deoxymabs do not impair neutrophil activity which is important in preserving overall function of the immune system.

Patrys' commitment to advancing these innovative antibody-based approaches brings hope for more effective and targeted therapies, potentially transforming the landscape of cancer treatment and NETosis-driven inflammatory diseases.

ASX News, Media Headlines

Milestones: FY24

During FY24, Patrys announced several clinical and commercial milestones.

Ms Suzy Jones retires as Director after twelve years in the role	Sep 2023
Data from preclinical studies with PAT-DX1 and PAT-DX3 presented at US brain cancer conference	Oct 2023
Receives \$2.7 million rebate under Federal Government's R&D Tax Incentive Scheme	Nov 2023
Secures manufacturing slot with Contract Manufacturing & Development Organisation to commence GMP production of PAT-DX1 in Q1 CY2024	Dec 2023
Preclinical data showing potential to use deoxymabs to treat certain autoimmune disease presented at international vasculitis conference	Mar 2024
Further positive data from preclinical studies using deoxymabs in animal models of vasculitis	Apr 2024

IP Update

Intellectual Property Portfolio

Patrys has an extensive global intellectual property (IP) portfolio with protection potentially extending through to at least 2044 in all major markets.

This IP position is expected to provide the Company with substantial commercial advantages as it develops its product candidates for major markets including the United States, Europe, Japan and China.

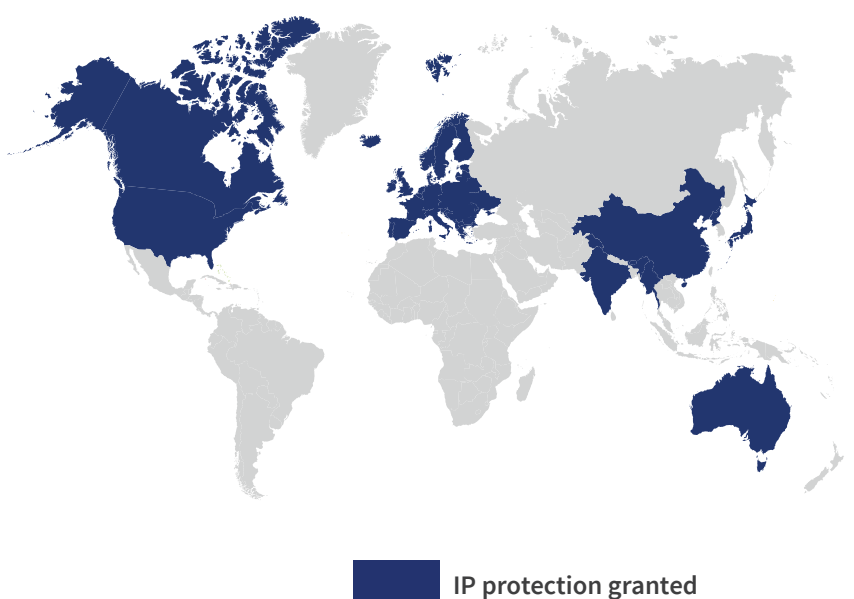
Deoxymab technology and product candidates

The patents that Patrys has obtained, and continues to apply for, cover deoxymab antibodies PAT-DX1 and PAT-DX3 composition of matter, combination approaches, method of treatment and product candidates derived from these technologies. Among the indication-specific issued or pending patents covering product candidates derived from our deoxymab portfolio the company has patents covering the use of deoxymabs in a range of cancers and inflammatory diseases.

There are now 12 granted patents covering the unconjugated form of deoxymab 3E10 (and derivatives thereof). These patents have been granted in the USA, throughout Europe and in both Japan and China. In addition, there are five patents covering nanoparticle conjugation that have been granted in various countries. **In total, Patrys and Yale have filed numerous patent applications across 12 different patent families in major jurisdictions which provides the Company with a significant patent estate covering the use of its unique deoxymab platform for the treatment of cancer and inflammatory diseases.**

The Company now has a significant patent estate covering the use of its deoxymab antibodies. Patrys continues to focus on maintaining patent protection in major jurisdictions where future regulatory approvals and product sales are targeted. In addition, in many major jurisdictions the Company may be able to extend the commercial exclusivity period for its product candidates, which include, but are not limited to, the exclusive right to reference its data, orphan drug exclusivity and patent term extensions.

Active intellectual property strategy in place to protect key assets



Deoxymab patent portfolio

12	Active patent families
18	Granted patents
32	Patent applications pending
1	1 International PCT application pending
1	1 US provisional application filed



“Our team is working with utmost discipline to realise the potential applications of our technology - and to meet the necessary checkpoints for a sustainable and scaleable clinical offering in market.”

- Patrys CEO & MD, Dr James Campbell

NETosis

Deoxymabs: Targeting NETosis to combat cancer and inflammation

Neutrophils, are the most common white blood cell in the body's immune system, and play a crucial role in defending against infections. NETosis involves neutrophils releasing web-like structures called neutrophil extracellular traps (NETs) to capture pathogens. While this mechanism is essential for fighting infections, an imbalance in NETosis, either through excessive release or impaired clearance of NETs, can lead to detrimental proinflammatory effects. These effects can contribute to the development and progression of various inflammatory diseases and metastatic cancers.

Patrys' research into the role of NETosis in metastatic cancer led to the unexpected discovery that deoxymabs inhibit NETosis and stop the release of NETs in human neutrophils. This finding identified deoxymabs possible therapeutics for a broad range of inflammatory diseases in addition to their potential as therapeutics to treat metastatic cancer.

Patrys' initial preclinical research has focused on ANCA-associated vasculitis (AAV), a severe inflammatory condition where NETs are released to fight inflammation and drive autoimmunity. In AAV, the body's immune system mistakenly attacks small blood vessels, leading to inflammation that can damage vital organs, especially the kidneys and respiratory system. Current treatments for AAV rely heavily on broad-acting immunosuppressants and steroids, leaving patients vulnerable to infections and other serious side effects. As such, there is a real need for therapies that can effectively modify the course of the disease, restoring a more balanced immune response without compromising the patient's overall immune defences.

Patrys has shown deoxymabs inhibit human neutrophil NETosis, without affecting neutrophil viability, cytotoxicity, apoptosis, or host defense functions like phagocytosis. Deoxymabs also appear to reduce inflammation, autoimmunity, and kidney injury in an animal model of AAV. The preservation of immune function is a key differentiator of currently available treatments.

Given the promising findings regarding the ability of deoxymabs to regulate NETosis, Patrys intends to expand its focus to include NETosis driven inflammatory diseases and potentially other renal disorders while continuing to investigate the role of deoxymabs in cancer, and in particular metastatic disease. In animal studies, deoxymabs ameliorate kidney injury. NETosis is emerging as a target in a number of renal diseases including lupus nephritis, diabetic nephropathy, acute tubular necrosis, anti-glomerular basement membrane disease, and anti-neutrophil cytoplasmic antibody-mediated renal vasculitis.

The opportunity to leverage the wealth of knowledge that Patrys has developed over recent years into an additional indication strengthens Patrys' portfolio of activities and has the potential to expand the market opportunity beyond oncology to inflammatory diseases, particularly in nephrology. The team's expertise in NETosis research is applicable to both cancer and inflammation. The Company intends to bolster its capabilities through additional new partnerships and securing input from key opinion leaders to support this expansion.

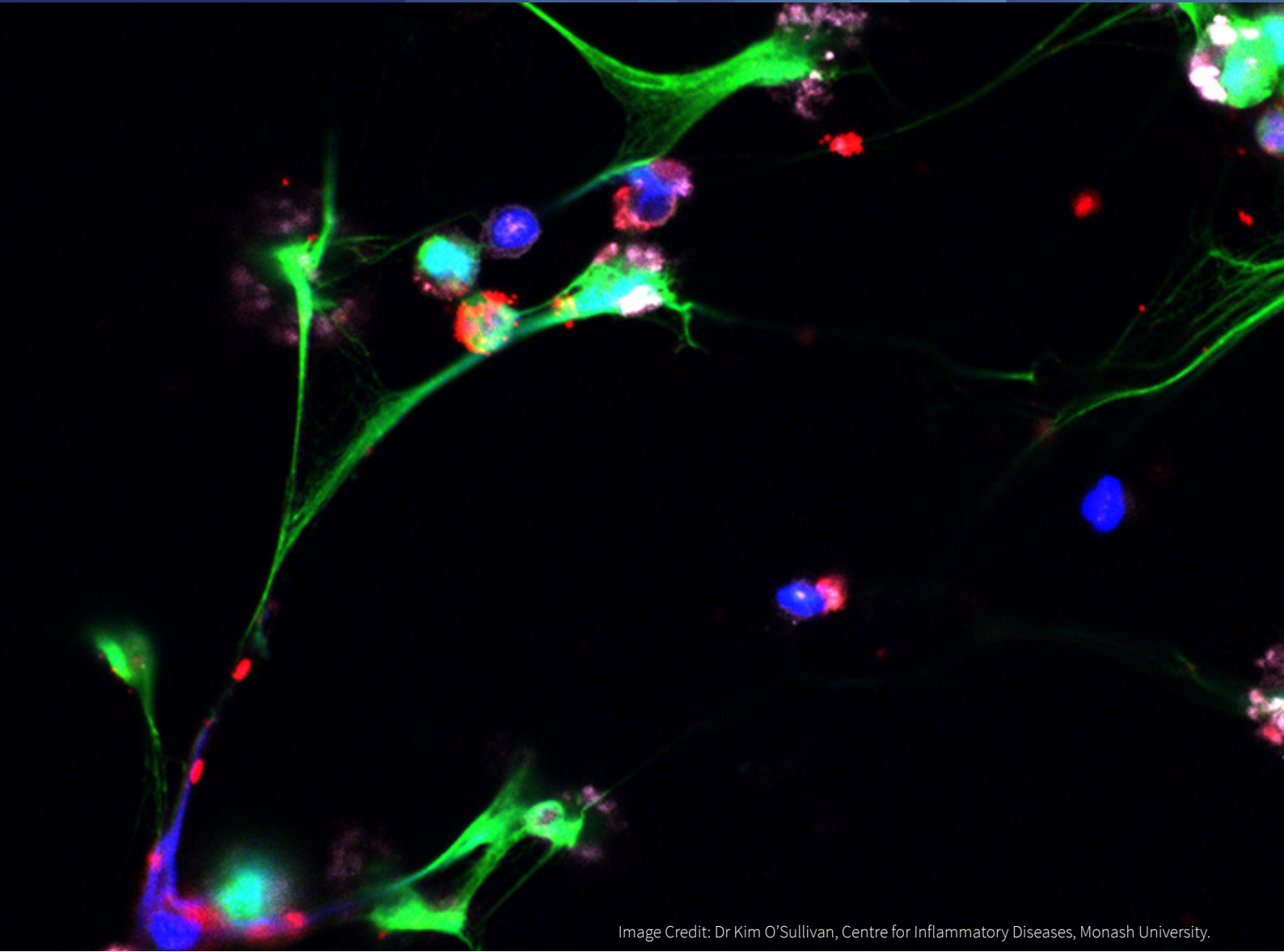


Image Credit: Dr Kim O'Sullivan, Centre for Inflammatory Diseases, Monash University.

Preclinical data shared at international meetings

Dr Kim O'Sullivan from Monash University presented preclinical data on the use of both PAT-DX1 and PAT-DX3 in an animal model of the autoimmune disease anti-neutrophil cytoplasmic antibody (ANCA) vasculitis during the plenary session of the 21st International Vasculitis Workshop in Barcelona in April 2024 and at the annual meeting of the American Association of Immunologists in Chicago in May 2024.

Highlights of the presentations were;

- PAT-DX1 inhibits the formation of neutrophil extracellular traps from human blood neutrophils *in vitro*;
- Both PAT-DX1 and PAT-DX3 decreased NET formation and inflammation;
- Both PAT-DX1 and PAT-DX3 reduced kidney injury and resultant protein in the urine

Manufacturing Antibodies

Antibody Manufacturing: A Complex Challenge

The manufacture of antibodies is essential for developing life-saving therapies but can also present complex and multifaceted challenges. The process spans multiple intricate stages, with each stage demanding meticulous attention to detail and adherence to stringent quality control measures to ensure the safety and reproducibility of the final product.

What is involved in manufacturing antibodies?

• Clone Selection

Commercial production of monoclonal antibodies typically begins with the identification and optimisation of the coding DNA sequence and the construction and identification of a stable high-producing clonal cell line. Once a clone is available, an antibody production platform can be used to make large quantities of antibodies.

Patrys has developed a stable cell clone for each of PAT-DX1 and PAT-DX3. The choice of production system is important to ensure the clone produces correctly folded proteins that maintain the molecule's biological activity; stability; and increase the half-life, while reducing immunogenicity. Mammalian cells, like the CHO cell line, have become the predominant method for industrial biopharmaceutical production, largely because of their ability to produce consistent and reproducible quantities of antibodies.

• Upstream Development

After generating a stable cell clone, the next step involves upstream development processes to grow the cells. These include cell culture process, scale up and production. Disposable bioreactors are often used for small scale production due to easy adaptation to process validation and flexibility. The process parameters including feeding strategies, and the ongoing improvement of environmental parameters, are optimised to ensure reproducible results. Close monitoring is necessary to ensure high productivity and yields to make the monoclonal antibody production more economical.

• Downstream Process Development

Once the cells have produced the antibodies, they need to be extracted and purified from the culture medium. A series of different purification techniques, such as chromatography and filtration, may be employed to obtain highly purified and potent antibodies.

• Formulation development

Patient safety is paramount in drug development. Formulation development ensures that the antibody is stable and in an acceptable format for administration to patients. With certain indications, biologics may need to be administered at high doses, requiring an increase in drug substance and drug product protein concentrations. With this increase, formulation development is central to identifying critical physico-chemical liabilities, or negative characteristics, that may hinder the performance of the antibody.

• Quality analysis and product characterisation

This is the final step in the process. To get an antibody into the clinic—and ultimately, the treatment approved—requires robust, efficient and reproducible manufacturing process of the investigational product in an appropriate formulation and at sufficient quantity for trials.



Quality analysis - a critical requirement

The quality analysis stage of manufacturing is critical to ensure that the final product is safe for use in patients, and possesses the desired therapeutic properties.

During quality analysis, the antibodies are subjected to rigorous testing to assess their purity, potency, and consistency. Product characterisation involves evaluating various aspects of the antibodies, such as their structure, biological activity, and stability. This information is critical for understanding how the antibodies will behave in different conditions and helps determine the appropriate storage and handling conditions.

These comprehensive quality control measures are essential for gaining regulatory approval and ensuring the safety and effectiveness of the manufactured monoclonal antibodies.

The path forward for Patrys

Patrys has generated two different forms of deoxymabs; a dimer (two units) of primarily the binding region called PAT-DX1, and a full-length IgG antibody called PAT-DX3. PAT-DX1 and PAT-DX3 share the same active binding regions and have the same mechanism of action.

In CY 2024 PAT-DX1 was successfully manufactured and we await the results of the specification testing which must be successfully completed for the drug material to be released for possible use in clinical trials.

In parallel, Patrys has been advancing the development of PAT-DX3 as a second asset and has already completed the early stages of development for this asset (clone selection, generation of MCBs and development of upstream and downstream processes and formulation).

The past year has confirmed that PAT-DX1 is a challenging antibody to work with, and this is the counter-point to its unique qualities. Patrys believes that deoxymabs have significant potential for treating a variety of hard-to-reach and treat cancers, irrespective of their location, as well as various inflammatory diseases.



Financials

Patrys Limited Directors' report 30 June 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Patrys Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of Patrys Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr. Charmaine Gittleson (Non-Executive Chair)
Mr. Michael Stork (Non-Executive Director and Deputy Chair)
Dr. James Campbell (Managing Director & CEO)
Dr. Pamela M. Klein (Non-Executive Director)
Ms. Suzy Jones (Non-Executive Director - retired on 15 September 2023)

Principal activities

Patrys is leveraging its proprietary deoxymab antibody technology platform to develop new therapies for the treatment of cancer and other diseases. Unlike most other antibodies, Patrys' deoxymabs are able to cross the blood-brain barrier, enter cells and the cell nucleus, and block the process of NETosis. Patrys is using these properties to develop new therapies that incorporate deoxymabs as a single agent, as part of a combination therapy, and for the targeted delivery of therapeutic agents to cancer cells.

Through the 2023/24 financial year Patrys was focused on advancing its lead agent PAT-DX1 towards a first in human clinical study. As has been previously noted there have been challenges in the past associated with the up-scaled manufacturing of PAT-DX1. After a detailed review by external experts Patrys engaged its Contract Development Manufacturing Organization (CDMO) to manufacture a batch of PAT-DX1 for the first in human clinical study during the 2023/24 financial year. A batch of PAT-DX1 was successfully produced at the start of CY2024 (January 2024-December 2024) and we currently await the results from the specification testing which is required in order for the drug product to be released for possible use in human subjects.

For several years and in parallel, Patrys has been advancing the development of PAT-DX3 as an additional deoxymab asset which is based on an antibody structure that is more commonly used for antibody therapeutics. Patrys has completed the early stages of development for PAT-DX3 including clone selection, generation of Master Cell Bank (MCB) and development of upstream and downstream processes and formulation.

The past year has further highlighted that PAT-DX1 is a challenging antibody to work with, and this is the counter-point to its unique qualities. Patrys believes that deoxymabs have significant potential as therapeutics for a variety of hard-to-treat cancers, irrespective of their location, as well as for various inflammatory diseases.

Patrys has an exclusive, worldwide licence to the deoxymab technology for cancer applications from Yale University, and is using this to develop and commercialise a portfolio of anti-cancer and diagnostic agents that include: anti-DNA antibodies, antibody fragments, variants and conjugates. Patrys and Yale University also have filed intellectual property pertaining to the use of deoxymabs in a range of non-cancer indications, and Patrys holds the exclusive commercial rights for these opportunities.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

R&D progress

In October 2023 Patrys announced data from preclinical studies using PAT-DX1 and PAT-DX3 in animal models of high grade glioma was presented at the American Association for Cancer research (AACR) Special Conference on Brain Cancer. The data was presented by Prof Terrence Johns from the Telethon Kids Cancer Centre and described research confirming the single agent activity of both PAT-DX1 and PAT-DX3 in animal models of high-grade glioma, as well as significant survival benefits from combining PAT-DX1 with a therapeutic dose of radiation.

On 13 December 2023, the Company confirmed that, following a comprehensive internal investigation and audit by both Patrys' CDMO and independent, external evaluator, the unexpected manufacturing issue with PAT-DX1 which occurred in Q1 of CY2023 was neither predictable nor preventable. Patrys secured a manufacturing slot with its CDMO for a GMP (Good Manufacturing Practice) production run during Q1 CY2024.

Patrys Limited
Directors' report
30 June 2024

During FY23-24, a large-scale fermentation for the production of PAT-DX1 was harvested and purified using a previously established and optimized purification process. Prior to release the material is required to successfully complete specification testing (product characterization and quality verification) to ensure it meets the specifications required under GMP production before it can be used in clinical trials. Subsequent to the reporting period, on 1 July 2024 it was announced there was a delay in specification testing to the end of July 2024 that would impact on the timelines for planned development activities. A further announcement was made on 29 July 2024 that there would be an additional four-week delay for completion of the specification testing.

In parallel to activities directed at supporting initiation of the Phase 1 clinical trial of PAT-DX1, Patrys developed a production process for its full-sized IgG deoxymab, PAT-DX3, that will enable it to be used in a formal, clinical development program. The MCB for PAT-DX3 had been characterized and validated, and an integration run which combines the upstream fermentation with downstream purification processes was successfully completed. This means the reagents and processes that have been established to enable Good Laboratory Practice (GLP) manufacturing of PAT-DX3 can produce drug material of a grade that allows it be used in preclinical toxicology studies and clinical trials. At this stage, Patrys has been focusing its resources on activities directed towards initiating the first-in-human studies of PAT-DX1. However, the availability of a GLP manufacturing process for PAT-DX3 will facilitate the progress of ongoing development and collaboration programs for this deoxymab.

On 9 April 2024 Patrys announced that new data from preclinical studies using PAT-DX1 and PAT-DX3 in animal models of the autoimmune disease anti-neutrophil cytoplasmic antibody (ANCA) vasculitis were presented by Dr Kim O'Sullivan from Monash University. Related data was also presented by Dr O'Sullivan at the annual meeting of the American Association of Immunologists in Chicago in May 2024. Results showed that PAT-DX1 inhibits the formation of NETs from human blood neutrophils *in vitro* and, using an animal model of ANCA vasculitis, both PAT-DX1 and PAT-DX3 decreased NET formation and inflammation and reduced kidney injury and resultant protein in the urine. These data suggest deoxymabs may provide a therapeutic option for vasculitis that is able to reduce inflammation without suppressing the immune system and may open up an additional indication for Patrys to develop or partner its deoxymab technology.

Corporate developments

As part of an ongoing process of Board renewal, in September 2023 Ms. Suzy Jones announced her retirement as a Non-Executive Director of Patrys having held the role since 2011.

During the year, Patrys continued to be actively involved in a range of global business development conferences. On the back of these meetings, Patrys is following up with a range of biotech/pharma companies who are attracted to both the anti-cancer activity of deoxymabs and the potential of PAT-DX3 to be used for targeted intracellular delivery of payloads.

Looking ahead

Patrys has generated two different forms of deoxymabs; a dimer (two units) of primarily the binding region called PAT-DX1, and full-length IgG antibody called PAT-DX3. PAT-DX1 and PAT-DX3 share the same active binding regions and have the same mechanism of action.

Patrys' key operational focus is on advancing PAT-DX1 towards the clinic while continuing to build a robust package of non-clinical studies to expand and facilitate potential commercial partnering opportunities for both PAT-DX1 and PAT-DX3.

Data gathered over the past year has revealed promising applications for deoxymabs beyond cancer. These discoveries in inflammatory diseases have the potential to complement our existing development programs and provide increased flexibility for the potential to use deoxymabs to treat diseases with significant unmet medical needs. In addition to using PAT-DX3 as a therapeutic in its own right for cancer and inflammation, Patrys will continue to explore opportunities to use it as a vehicle for the targeted delivery of pharmaceuticals and other therapeutic molecules. Patrys has established a Master Cell Bank (MCB) of stable, high-yield cell lines for the commercial production of PAT-DX3, and this MCB has undergone stability testing to confirm its suitability for use.

With established single agent activity in a range of cancers, potential utility as an antibody drug conjugate, and strong data in the ability to treat inflammatory diseases, Patrys believes that there is significant scope to realize value with deoxymabs in the coming years. Patrys believes that deoxymabs have significant potential for treating a variety of hard-to-reach and treat cancers, irrespective of their location, as well as various inflammatory diseases.

Statement of Financial Position

At 30 June 2024, the Group held cash and term deposits of \$2,240,661 (30 June 2023: \$3,045,516). Patrys' policy is to hold its cash and cash equivalent deposits in 'A' rated or better deposits. Excluding prepaid expenses, the working capital position at 30 June 2024 was \$2,893,697 (30 June 2023: \$6,200,682).

Patrys Limited
Directors' report
30 June 2024

Operating results

The loss for the Group after providing for income tax amounted to \$3,539,150 (30 June 2023: \$7,061,624). Total other income during the year was \$1,394,163 (2023: \$2,851,908). This includes R&D tax incentive income of \$1,285,038 (2023: \$2,775,033).

Patrys' strategy is to outsource product development expenses, including manufacturing, regulatory and clinical trial expenses, to specialist, best of breed partner organisations. As a consequence, Patrys has not incurred any major capital expenditure for the period and does not intend to incur substantial commitments for capital expenditure in the immediate future.

Total consolidated operating expenses for the period were \$4,933,313 (2023: \$9,913,532). Operating expenses include research and development costs of \$3,071,793 (2023: \$7,524,812) which have been expensed in the year they were incurred. Level of R&D costs incurred in FY2024 is consistent with the pre-clinical and manufacturing works undertaken during the financial year. Administration and management costs contributed a further \$1,861,520 (2023: \$2,388,720) from continuing operations.

Risks and uncertainties

Patrys is subject to risks that are specific to the Group and its business activities, as well as general risks. Following are the significant risks and uncertainties relevant for current reporting period.

Future funding risks

Whilst the Group has a cash and cash equivalents balance of \$2,240,661, receivable of \$1,285,038 in relation to the R&D tax incentives and net assets of \$3,470,215 and is able to continue on a going concern basis, there is risk that the Group may require substantial additional financing in the future to sufficiently fund the continued research, development and commercialisation of its assets. As the Group is still in the R&D phase of activities it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. Should there be any delay in R&D refunds, management are confident that they can reduce the level of expenditure in order to retain appropriate cash balances. Management remains very diligent in its ongoing monitoring of cash balances day by day. Patrys' ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. If for any reason Patrys was unable to raise future funds, its ability to achieve its milestones or continue future development / commercialisation of its assets would be significantly affected. The Directors regularly review the spending pattern and ability to raise additional funding to ensure Patrys' ability to generate sufficient cash inflows to settle its creditors and other liabilities. In addition, Patrys is eligible for certain government grants and R&D tax incentive payments.

Regulatory and licensing risks

The research, development, manufacture and sale of products based on Patrys' 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 Group views the results of a trial to be positive, the FDA or other regulatory authorities may disagree with the Group's interpretation of the data. Thus, any product based on 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, fail to secure meaningful reimbursement approval, or not be as attractive as alternative treatments. Patrys' monitors legislative and regulatory developments and engages proactively with key stakeholders to manage this risk.

Innovating technological development

Patrys' 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 Patrys' 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 Patrys' products on a large scale, or toxicity. There is no guarantee that Patrys will be commercially successful.

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Dependence on service providers and third-party collaborators

There is no guarantee that Patrys will be able to find suitable third-party providers and third-party collaborators including academic institutions to complete the development and commercialisation of its products. Patrys is therefore exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by Patrys' partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of Patrys' product development efforts, financial condition and results of operations.

Patrys monitors commercial developments and engages proactively with key stakeholders to manage this risk.

Reliance on key personnel

Patrys' success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of Patrys. Patrys maintains a mixture of permanent staff and expert consultants to advance its programs and ensure access to multiple skill sets. Patrys, through the Remuneration and Nomination Committee reviews remunerations to human resources regularly.

Inability to protect intellectual property

Patrys' ability to leverage its innovation and expertise is dependent on its ability to protect its intellectual property including maintaining patent protection for its product candidates and their respective targets and any improvements to it. A failure or inability to protect Patrys' intellectual property rights could have an adverse impact on operating and financial performance.

Patrys owns or has in-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. Patrys may incur significant costs in prosecuting or defending its intellectual property rights.

Patrys proactively monitors applications and renewals of patents and licences; and requires relevant stakeholders to comply with the requirements set out in the confidentiality policy.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

Patrys is committed to preventing and reducing cyber security risks through outsourcing the IT management to a reputable services provider. In addition, Patrys has an insurance policy covering IT and cyber security matters.

Significant changes in the state of affairs

In July and August 2023, Patrys issued a total of 178,941 fully paid ordinary shares at an issue price of \$0.024 (2.4 cents) per share in relation to the exercise of quoted PABO options.

On 14 September 2023 the Company announced the retirement of Ms. Suzy Jones as a Non-Executive Director, effective 15 September 2023.

On 8 November 2023, Nucleus Therapeutics Pty Ltd, a Patrys wholly-owned subsidiary, received \$2,731,604 R&D Tax Incentive Refund in relation to the 2022/2023 financial year.

On 9 November 2023, the de-registration of the Consolidated Entity's wholly-owned German subsidiary, Patrys GmbH was completed.

During the Financial year 2023-24, 47,871,059 Options over ordinary shares expired as the conditions attached with these securities were not met or became incapable of being satisfied.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 29 July 2024, the Company announced that the PAT-DX1 GMP manufacturing run has identified an inconsistency with one of the processes used in specification testing which is currently being rectified. The specification testing of the manufacturing run of PAT-DX1 is now expected to be complete in the second half of August 2024.

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No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to pursue its objective of developing antibodies as therapies for a range of different cancers and inflammatory diseases. Patrys has a pipeline of antibodies for both internal development and as partnering opportunities.

The Group's focus for the coming period will be to build further value into the Deoxymab platform through pre-clinical activities, and the planned progression of the PAT-DX1 asset towards the clinic.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name: Charmaine Gittleson
Title: Non-Executive Chair
Qualifications: MD, BSci, AICD
Experience and expertise: Dr Gittleson is the former Chief Medical Officer of CSL Limited with more than 20 years of experience in pharmaceutical development in Australia and the USA. Dr Gittleson's expertise spans many aspects of the pharmaceutical industry, from drug development and clinical research through to strategic planning and executive management. Dr Gittleson has been involved in drug development programs across a wide range of different therapeutic areas, and has successfully worked with regulators in key markets such as the US, EU, Asia Pacific, Japan and South America. Dr Gittleson is currently the Chair of Percheron Therapeutics Limited (ASX: PER) where she has been actively involved in strategy development, capital raising and Board renewal.

Other current directorships: Percheron Therapeutics (ASX:PER)
Former directorships (last 3 years): None
Special responsibilities: Chair of Nomination and Remuneration Committee
Member of Audit and Risk Committee

Interests in shares: Nil
Interests in options: 8,000,000 unlisted options, exercisable at \$0.045 (4.5 cents), expiring 14 November 2026

Name: James Campbell
Title: Managing Director and Chief Executive Officer
Qualifications: Ph.D, MBA, GAICD
Experience and expertise: Dr. Campbell has over 30 years of international biotechnology research, management and leadership experience and has been involved in the creation and/or transformation of multiple successful Australian and international biotechnology companies. Dr. Campbell was previously the CFO and COO of ChemGenex Pharmaceuticals Limited (ASX: CXS), where, as a member of the executive team he helped transform a research-based company with a market capitalization of \$10M to a company with completed clinical trials and regulatory dossiers submitted to the FDA and EMA. In 2011 ChemGenex was sold to Cephalon for \$230M. Dr. Campbell was a foundation executive of Evolve Biosystems, and has assisted private biotechnology companies in Australia, New Zealand and the USA with successful capital raising and partnering negotiations. Dr Campbell chairs the board of Australia's peak industry body for biotechnology, AusBiotech.

Other current directorships: Non-Executive Director of Prescient Therapeutics Limited (ASX: PTX)
Former directorships (last 3 years): None
Interests in shares: 18,885,125 fully paid ordinary shares
Interests in options: 11,000,000 unlisted options, exercisable at \$0.027, expiring on 18 December 2024.
25,000,000 unlisted options, exercisable at \$0.059, expiring on 30 September 2025.

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Name: Michael Stork
 Title: Non-Executive Director and Deputy Chair
 Qualifications: BBA
 Experience and expertise: Mr. Stork was the Managing Director of Stork Holdings Ltd, an Investment Holding company active in the Canadian technology start-up sector. Mr. Stork was on the Board of Governors of the University of Waterloo.
 Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: Member of Nomination and Remuneration Committee
 Chair of Audit and Risk Committee
 Interests in shares: 98,773,814 fully paid ordinary shares (These shares are held by Stork Holdings Ltd. The director has the ability to influence the voting and disposal of the shares of this company).
 Interests in options: 800,000 unlisted options, exercisable at \$0.027, expiring on 18 December 2024.

Name: Suzy Jones
 Title: Non-Executive Director (retired on 15 September 2023)
 Experience and expertise: Ms. Jones is Founder and Managing Partner of DNA Ink LLC, a life sciences advisory firm in San Francisco. Prior to starting her own firm, Ms. Jones spent 20 years at Genentech where she served in many roles in immunology research, product development and business development. During this time, she managed Genentech's CD20 portfolio of assets, including Rituxan, the first monoclonal antibody launched to treat cancer, Ocrevus and Gazyva. Ms. Jones has very extensive networks within the pharmaceutical and biotech industry worldwide and the VC community in North America. Ms. Jones is a Non-Executive Director of Calithera Biosciences, Inc.
 Other current directorships: Calithera Biosciences, Inc.
 Former directorships (last 3 years): None
 Special responsibilities: Member of Nomination and Remuneration Committee
 Member of Audit and Risk Committee
 Interests in shares: N/A
 Interests in options: N/A

Name: Dr. Pamela M. Klein
 Title: Non-Executive Director
 Experience and expertise: Dr. Klein has a proven track record as an executive over more than 20 years in the oncology and biopharmaceutical industry. She is currently on the Board of Directors for Argenx, a dual-listed (Euronext Brussels and NASDAQ), clinical-stage therapeutic antibody company developing novel drugs in severe autoimmune disease. She is also on the Board of Frontier Medicines; Shasqi and ONA Therapeutics She was previously on the Board of Directors of F-Star Therapeutics, Jiya Acquisition Corp, a special purpose acquisition company (SPAC) affiliated with Samsara BioCapital, Sardona and I-MAB. Dr. Klein is the Principal and Founder of PMK BioResearch, which offers strategic consulting in oncology drug development.
 Other current directorships: Argenx (arGEN-X ADS (NASD)), Argenx (arGENX (EURONEXT)), Frontier Medicines, ONA Therapeutics, Shasqi.
 Former directorships (last 3 years): F-star Therapeutics (NASDAQ: FSTX), I-MAB, Sardona, Jiya Acquisition Corp.
 Special responsibilities: Member of Nomination and Remuneration Committee
 Interests in shares: 250,000 fully paid ordinary shares.
 Interests in options: 4,000,000 unlisted options, exercisable at \$0.035, expiring on 9 October 2024.
 800,000 unlisted options, exercisable at \$0.027, expiring on 18 December 2024.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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Company Secretary

Mr Stefan Ross BBus (Acc)

Mr Ross has over 12 years of experience in accounting and secretarial services for ASX listed companies. His extensive experience includes ASX compliance, corporate governance control and implementation, statutory financial reporting, shareholder meeting requirements, capital raising management, and board and secretarial support. Mr Ross has a Bachelor of Business majoring in accounting.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Charmaine Gittleson	9	9	2	2	2	2
James Campbell	9	9	-	-	-	-
Suzy Jones	1	1	-	-	1	1
Michael Stork	8	9	2	2	2	2
Pamela Klein	9	9	2	2	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- risk and capital management.

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The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Non-Executive Chair and the Senior Management team. The Board has established a Nomination and Remuneration Committee, comprising of three Directors, the majority of which are Non-Executive Directors. This Committee is primarily responsible for making recommendations to the Board on:

- the over-arching executive remuneration framework;
- the operation of the incentive plans, including key performance indicators and performance hurdles;
- remuneration levels of Executive Directors and other key management personnel; and
- Non-Executive Director fees.

The objective of this Committee is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. The Corporate Governance Statement provides further information on the role of this committee and is available on the Company's website at www.patrys.com/patrys-corporate-governance.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

The Group's remuneration framework seeks alignment with shareholders' interests and is in particular aligned to the rapid commercialisation of its intellectual property and in achieving its milestones in a highly ethical and professional manner.

The executive remuneration framework provides a mix of fixed and variable pay and performance incentive rewards. Presently, the Company's policy in relation to performance incentive rewards is to issue a mix of equity and cash bonuses to executives. The Company does not have a policy or practice of cancelling or clawing-back performance-based remuneration of its executives other than in accordance with the relevant plan rules.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-executive Directors remuneration

Directors' fees are determined by reference to industry standards and were last reviewed effective 22 November 2018. Components of the remuneration package include a cash element together with equity instruments.

Directors' fees are currently set at \$95,000 for the Chair and \$60,000 per Non-Executive Director (note Dr. Klein receives USD\$60,000) and reflect the demands which are made on and the responsibilities of the Directors. However, one Non-Executive Director, Mr. Michael Stork, did not receive monetary Director fees during the year (2023: Nil).

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 22 November 2018, where the shareholders approved a maximum annual aggregate remuneration of \$400,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprise the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

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Incentives are payable to executives based upon the attainment of agreed corporate and individual milestones and are reviewed and approved by the Board.

Executives and Directors are issued with equity instruments as LTIs (Long Term Incentives) in a manner that aligns this element of remuneration with the creation of shareholder wealth. LTI grants are made to executives and Directors who are able to influence the generation of shareholder wealth and thus have a direct impact on the creation of shareholder wealth.

Consolidated entity performance and link to remuneration

Equity instruments may be issued to new employees, and upon performance review based on performance of the individual and the Company both in absolute terms and relative to competitors in the biotechnology sector. Equity instruments that are issued for performance are subject to performance targets set and approved by the Nomination and Remuneration Committee.

Patrys' remuneration policy seeks to reward staff members for their contribution to achieving significant operational, strategic, partnering, preclinical, clinical and regulatory milestones. These milestones build sustainable and long-term shareholder value.

Voting and comments made at the Company's 15 November 2023 Annual General Meeting ('AGM')

At the 15 November 2023 AGM, 95.39% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables. Unless otherwise noted, the named persons were key management personnel for the whole of the period ended 30 June 2024.

The Key Management Personnel of the Group consisted of the following directors of Patrys Limited:

- Charmaine Gittleson (Non-Executive Chair)
- James Campbell (Managing Director and Chief Executive Officer)
- Michael Stork (Non-Executive Director and Deputy Chair)
- Pamela Klein (Non-Executive Director)
- Suzy Jones (Non-Executive Director - retired on 15 September 2023)

30 June 2024	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Salary and fees	Bonus	Annual leave	Super-annuation	Long service leave		
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Charmaine Gittleson	85,973	-	-	9,457	-	11,513	106,943
Suzy Jones*	18,758	-	-	-	-	-	18,758
Pamela Klein**	91,425	-	-	-	-	-	91,425
<i>Executive Directors:</i>							
James Campbell	372,649	-	25,462	27,500	18,066	43,397	487,074
	568,805	-	25,462	36,957	18,066	54,910	704,200

* Ms Jones was paid USD 15,000 at an exchange rate of 0.6625 USD to 1 AUD. Ms Jones retired on 15/9/2023.

** Ms Klein was paid USD 60,000 at an exchange rate of 0.6565 USD to 1 AUD.

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	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Salary and fees	Bonus	Annual leave	Super-annuation	Long service leave		
30 June 2023	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Charmaine Gittleston	54,091	-	-	5,680	-	23,997	83,768
Suzy Jones*	96,717	-	-	-	-	1,247	97,964
Pamela Klein**	89,277	-	-	-	-	1,247	90,524
Michael Stork	-	-	-	-	-	1,247	1,247
John Read	16,137	-	-	-	-	1,871	18,008
Stefan Ross	12,667	-	-	-	-	-	12,667
<i>Executive Directors:</i>							
James Campbell***	358,000	104,085	15,375	26,951	9,474	221,558	735,443
	<u>626,889</u>	<u>104,085</u>	<u>15,375</u>	<u>32,631</u>	<u>9,474</u>	<u>251,167</u>	<u>1,039,621</u>

* Ms Jones was paid USD 60,000 at an exchange rate of 0.6726 USD to 1 AUD. An additional R&D consulting fee of USD 5,000 was paid to DNA Ink LLC, an entity associated with Ms Jones at arm's length market rates.

** Ms Klein was paid USD 60,000 at an exchange rate of 0.6726 USD to 1 AUD.

*** Bonus of \$104,085 paid to Mr Campbell for partial achievement of KPIs for FY 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>Non-Executive Directors:</i>						
Charmaine Gittleston	89%	71%	-	-	11%	29%
Suzy Jones*	100%	99%	-	-	-	1%
Pamela Klein	100%	99%	-	-	-	1%
Michael Stork	-	-	-	-	-	100%
John Read **	-	90%	-	-	-	10%
Stefan Ross ***	-	100%	-	-	-	-
<i>Executive Directors:</i>						
James Campbell	91%	56%	-	14%	9%	30%

* Retired on 15 September 2023.

** Resigned on 31 August 2022.

*** Appointed as Non-Executive Director on 31 August 2022 and ceased on 16 November 2022.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Dr James Campbell
Title: Managing Director and Chief Executive Officer
Agreement commenced: 13 April 2015 as Managing Director
Term of agreement: No fixed term for an ongoing term subject to termination by Patrys with 6 months' notice and termination by the employee with 6 months' notice of the employee to Patrys, or 12 months' notice in the event of a successful takeover.

Details: Dr Campbell will be entitled to an annual salary (inclusive of superannuation) of \$416,555 effective 1 July 2024. The Remuneration Package is inclusive of any fringe benefits tax for which Patrys is liable in respect of the employee's total remuneration and any superannuation contributions. The employee's performance will be reviewed annually or more frequently if required.

Name: Dr Pamela Klein
Title: Non- Executive Director
Agreement commenced: 1 October 2019
Term of agreement: No fixed term.
Details: USD 60,000 per annum to be reviewed independently and annually by the Board.

Name: Dr Charmaine Gittleson
Title: Non-Executive Chair
Agreement commenced: 16 November 2022
Term of agreement: No fixed term.
Details: \$95,430 per annum to be reviewed independently and annually by the Board.

Name: Michael Stork
Title: Non- Executive Director
Agreement commenced: 19 February 2007
Term of agreement: No fixed term.
Details: Remuneration is currently Nil.

Key Management Personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2024.

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Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Pamela Klein	2,000,000	01/10/2019	01/10/2019	01/10/2024	\$0.0350	\$0.01090
Pamela Klein	1,000,000	01/10/2019	01/10/2020	01/10/2024	\$0.0350	\$0.01140
Pamela Klein	1,000,000	01/10/2019	01/10/2021 (i)	01/10/2024	\$0.0350	\$0.01240
Pamela Klein	400,000	15/12/2020	15/12/2021	15/12/2024	\$0.0270	\$0.01250
Pamela Klein	400,000	15/12/2020	15/12/2022	15/12/2024	\$0.0270	\$0.01360
Susan Jones	400,000	15/12/2020	15/12/2021	15/12/2024	\$0.0270	\$0.01250
Susan Jones	400,000	15/12/2020	15/12/2022	15/12/2024	\$0.0270	\$0.01360
James Campbell	5,500,000	15/12/2020	15/12/2021	15/12/2024	\$0.0270	\$0.01250
James Campbell	5,500,000	15/12/2020	15/12/2022	15/12/2024	\$0.0270	\$0.01360
James Campbell	12,500,000	05/11/2021	05/11/2022 (i)	30/09/2025	\$0.0590	\$0.01840
James Campbell	12,500,000	05/11/2021	05/11/2023 (ii)	30/09/2025	\$0.0590	\$0.01980
Michael Stork	400,000	15/12/2020	15/12/2021	15/12/2024	\$0.0270	\$0.01250
Michael Stork	400,000	15/12/2020	15/12/2022	15/12/2024	\$0.0270	\$0.01360
Charmaine Gittleson	2,000,000	16/11/2022	16/11/2022	14/11/2026	\$0.0450	\$0.00710
Charmaine Gittleson	2,000,000	16/11/2022	16/11/2023 (iii)	14/11/2026	\$0.0450	\$0.00350
Charmaine Gittleson	2,000,000	16/11/2022	16/11/2024 (iii)	14/11/2026	\$0.0450	\$0.00470
Charmaine Gittleson	2,000,000	16/11/2022	16/11/2025 (iii)	14/11/2026	\$0.0450	\$0.00620

- (i) The share price is equal to or greater than a 20-day VWAP of \$0.07 (7.0 cents); exercisable thereafter. These options are not vested at the reporting date.
- (ii) Vest on or after the 24-month anniversary of grant date *and* the share price is equal to or greater than a 20-day VWAP of \$0.10 (10 cents). These options are not vested at the reporting date.
- (iii) 2,000,000 unlisted options vest on or after the 12-month anniversary of grant date and the share price is equal to or greater than a 20-day VWAP of 5.0 cents. These options are not vested at the reporting date.
2,000,000 unlisted options vest on or after the 24-month anniversary of grant date and the share price is equal to or greater than a 20-day VWAP of 7.0 cents. These options are not vested at the reporting date.
2,000,000 unlisted options vest on or after the 36-month anniversary of grant date and the share price is equal to or greater than a 20-day VWAP of 7.0 cents. These options are not vested at the reporting date.

Options granted carry no dividend or voting rights.

Details of options over ordinary shares lapsed for Directors and other Key Management Personnel, during the year ended 30 June 2024 are set out below:

Name	Grant date	Vesting date	Number of options lapsed	Value of options lapsed \$
James Campbell	22/11/2018	22/11/2019	5,000,000	92,500
James Campbell	22/11/2018	22/11/2020	5,000,000	92,500
Susan Jones	22/11/2018	22/11/2018	2,000,000	37,000
Susan Jones	22/11/2018	22/11/2019	1,000,000	18,500
Susan Jones	22/11/2018	22/11/2020	1,000,000	18,400
Michael Stork	22/11/2018	22/11/2018	2,000,000	37,000
Michael Stork	22/11/2018	22/11/2019	1,000,000	18,500
Michael Stork	22/11/2018	22/11/2020	1,000,000	18,400
Pamela Klein	15/03/2019	15/03/2019	250,000	3,913
John Read	22/11/2018	22/11/2020	2,000,000	36,800

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Amounts represent the fair value of Options previously recognised over the vesting period under AASB2 Share Based Payments. The fair value was determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Other income	1,394,163	2,851,908	3,333,576	1,338,377	772,844
Net profit/(loss) before tax	(3,539,150)	(7,061,624)	(6,780,363)	(4,062,920)	(2,748,539)
Net profit/(loss) after tax	(3,539,150)	(7,061,624)	(6,780,363)	(4,062,920)	(2,748,539)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year start (\$)	0.0100	0.0200	0.0560	0.0120	0.0300
Share price at financial year end (\$)	0.0070	0.0100	0.0200	0.0560	0.0120
Basic losses per share (cents per share)	(0.1722)	(0.3436)	(0.3458)	(0.2524)	(0.2566)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Group, including their related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
James Campbell	18,885,125	-	-	-	18,885,125
Suzy Jones*	3,000,000	-	-	(3,000,000)	-
Michael Stork	98,773,814	-	-	-	98,773,814
Pamela Klein	250,000	-	-	-	250,000
	<u>120,908,939</u>	<u>-</u>	<u>-</u>	<u>(3,000,000)</u>	<u>117,908,939</u>

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
James Campbell	46,800,959	-	-	(10,800,959)	36,000,000
Suzy Jones*	4,800,000	-	-	(4,800,000)	-
Michael Stork	4,800,000	-	-	(4,000,000)	800,000
Pamela Klein	5,050,000	-	-	(250,000)	4,800,000
Charmaine Gittleson	8,000,000	-	-	-	8,000,000
	<u>69,450,959</u>	<u>-</u>	<u>-</u>	<u>(19,850,959)</u>	<u>49,600,000</u>

* Ms. Suzy Jones retired as a director on 15 September 2023.

This concludes the remuneration report, which has been audited.

**Patrys Limited
Directors' report
30 June 2024**

Shares under option

Unissued ordinary shares of Patrys Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12 September 2019	31 August 2024	\$0.0290	1,500,000
1 October 2019	1 October 2024	\$0.0350	4,000,000
15 March 2020	15 March 2025	\$0.0220	2,750,000
8 May 2020	8 May 2025	\$0.0170	250,000
15 December 2020	18 December 2024	\$0.0270	22,000,000
5 November 2021 to 19 November 2021	30 September 2025	\$0.0590	41,500,000
19 November 2021	15 March 2026	\$0.0590	2,500,000
16 November 2022	16 November 2026	\$0.0450	8,000,000
15 May 2023	10 April 2026	\$0.0450	18,500,000
15 March 2023	30 September 2026	\$0.0450	500,000
			101,500,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Patrys Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
26 July 2023	\$0.0240	148,940
8 August 2023	\$0.0240	30,001
		178,941

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

**Patrys Limited
Directors' report
30 June 2024**

Details of the amount paid or payable to the auditor (BDO Audit Pty Ltd) and its related entities for audit and non-audit services provided during the year are set out in note 19.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement APES 110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Officers of the Company who are former partners of BDO Audit Pty Ltd and its related entities

There are no officers of the Company who are former partners of BDO Audit Pty Ltd and its related entities.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Rounding of amounts

Patrys Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Dr. Charmaine Gittleson
Chair

23 August 2024

DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF PATRYS LIMITED

As lead auditor of Patrys Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Patrys Limited and the entities it controlled during the period.



Wai Aw
Director

BDO Audit Pty Ltd

Melbourne, 23 August 2024

Patrys Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 30 June 2024 \$	30 June 2023 \$
Research and development tax incentive and other income	5	1,394,163	2,851,908
Expenses			
Research & development expenses	6	(3,071,793)	(7,524,812)
Administration & management expenses	6	<u>(1,861,520)</u>	<u>(2,388,720)</u>
Loss before income tax expense		(3,539,150)	(7,061,624)
Income tax expense	7	<u>-</u>	<u>-</u>
Loss after income tax expense for the year attributable to the Owners of Patrys Limited		(3,539,150)	(7,061,624)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>-</u>	<u>55</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>55</u>
Total comprehensive income for the year attributable to the Owners of Patrys Limited		<u><u>(3,539,150)</u></u>	<u><u>(7,061,569)</u></u>
		Cents	Cents
Basic losses per share	26	(0.1722)	(0.3436)
Diluted losses per share	26	(0.1722)	(0.3436)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Patrys Limited
Statement of financial position
As at 30 June 2024

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	2,240,661	3,045,516
Trade and other receivables	9	1,341,771	2,842,064
Prepayments		226,097	241,474
Other financial assets	10	-	1,000,000
Total current assets		<u>3,808,529</u>	<u>7,129,054</u>
Non-current assets			
Property, plant and equipment		4,301	1,672
Intangibles	11	348,750	393,750
Total non-current assets		<u>353,051</u>	<u>395,422</u>
Total assets		<u>4,161,580</u>	<u>7,524,476</u>
Liabilities			
Current liabilities			
Trade and other payables	12	371,117	421,771
Employee benefits	13	317,618	265,127
Total current liabilities		<u>688,735</u>	<u>686,898</u>
Non-current liabilities			
Employee benefits	13	2,630	-
Total non-current liabilities		<u>2,630</u>	<u>-</u>
Total liabilities		<u>691,365</u>	<u>686,898</u>
Net assets		<u>3,470,215</u>	<u>6,837,578</u>
Equity			
Issued capital	14	85,734,437	85,730,143
Reserves	15	1,610,027	2,226,876
Accumulated losses		(83,874,249)	(81,119,441)
Total equity		<u>3,470,215</u>	<u>6,837,578</u>

Patrys Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	85,723,696	1,999,788	(74,296,332)	13,427,152
Loss after income tax expense for the year	-	-	(7,061,624)	(7,061,624)
Other comprehensive income for the year, net of tax	-	55	-	55
Total comprehensive income for the year	-	55	(7,061,624)	(7,061,569)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue from exercise of options (note 14)	6,447	-	-	6,447
Reallocation of value of expired and cancelled options	-	(238,515)	238,515	-
Share based payments (note 6)	-	465,548	-	465,548
Balance at 30 June 2023	<u>85,730,143</u>	<u>2,226,876</u>	<u>(81,119,441)</u>	<u>6,837,578</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	85,730,143	2,226,876	(81,119,441)	6,837,578
Loss after income tax expense for the year	-	-	(3,539,150)	(3,539,150)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,539,150)	(3,539,150)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue from exercise of options (note 14)	4,294	-	-	4,294
Reallocation of value of expired and cancelled options	-	(784,338)	784,338	-
Share based payments (note 6)	-	163,291	-	163,291
Transfer of foreign currency reserve on deregistration of the subsidiary	-	4,202	-	4,202
Balance at 30 June 2024	<u>85,734,437</u>	<u>1,610,031</u>	<u>(83,874,253)</u>	<u>3,470,215</u>

Patrys Limited
Statement of cash flows
For the year ended 30 June 2024

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(4,650,629)	(9,202,892)
Receipts from interest income		103,088	76,787
Receipts from R&D tax incentive		<u>2,731,604</u>	<u>3,347,283</u>
Net cash used in operating activities	25	<u>(1,815,937)</u>	<u>(5,778,822)</u>
Cash flows from investing activities			
Payments for equipment		(3,236)	-
Proceeds from investments in term deposits		<u>1,010,024</u>	<u>1,000,000</u>
Net cash from investing activities		<u>1,006,788</u>	<u>1,000,000</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	<u>4,294</u>	<u>6,447</u>
Net cash from financing activities		<u>4,294</u>	<u>6,447</u>
Net decrease in cash and cash equivalents		(804,855)	(4,772,375)
Cash and cash equivalents at the beginning of the financial year		3,045,516	7,817,841
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>50</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>2,240,661</u></u>	<u><u>3,045,516</u></u>

Patrys Limited
Notes to the financial statements
30 June 2024

Note 1. General information

The financial statements cover Patrys Limited as a Group consisting of Patrys Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Patrys Limited's functional and presentation currency.

Patrys Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the year ended 30 June 2024, the Group incurred a loss from continuing operations after income tax of \$3,539,150 (30 June 2023:7,061,624) and had consolidated net operating cash outflows of \$1,815,937 (30 June 2023:5,778,822). The continuing viability of the Group and its ability to continue as a going concern is dependent upon the Group being successful in its continuing efforts in R&D activities, potential licensing of existing products and accessing additional sources of capital to meet future commitments. The existence of these conditions give rise to a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern.

Notwithstanding the above, the consolidated financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the discharging of liabilities in the normal course of business for the following reasons:

- At 30 June 2024, the Group had net current assets of \$2,893,697 (excluding pre-paid expenses), including cash balance of \$2,240,661.
- At 30 June 2024, the Group recognized a receivable of \$1,285,039 from the R&D tax incentive, which is expected to be received in the first half of the 2025 financial year.
- The Group has historically demonstrated its ability to and has a track record of successfully raising capital as and when required.
- As the Group is still in the R&D phase of activities it has the ability to control the level of its operations and hence the level of its expenditure over the next 12 months. Should there be any delay in R&D refunds, management are confident that they can reduce their level of expenditure in order to retain appropriate cash balances.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of the business, and at amounts that differ from those stated in the consolidated financial report. The consolidated financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not continue as a going concern.

Patrys Limited
Notes to the financial statements
30 June 2024

Note 2. Material accounting policy information (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparative figures

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Patrys Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Patrys Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Patrys Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 2. Material accounting policy information (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment of non-financial assets

As a part of the impairment assessment for June 2024, management reviewed changes to laws and regulations affecting the IP, technological obsolescence, issues with funding commitment, along with a host of other indicators such as market value review, adverse movements in market rates of return and change in use of asset or the manner in which it used. There are no indicators of impairment of the asset for the year ended 30 June 2024 as a result of this review.

R&D Tax Incentives

The Australian Government has provided a tax incentive, in the form of a refundable tax offset of 48.5% (2023: 43.5%), for eligible research and development expenditure. Management have assessed refundable R&D tax incentive based on the research and development activities and expenditure during the period, which are likely to be eligible under the scheme. Amounts received are subject to Group's continued eligibility to the scheme.

Note 4. Operating segments

Identification of reportable operating segments

A segment is a component of the Group that engages in business activities to provide products or services within a particular economic environment. The Group operates in one business segment, being the conduct of research and development activities in the biopharmaceutical sector. The Board of Directors assess the operating performance of the Group based on management reports that are prepared on this basis. The Group has established activities in more than one geographical area; however, these activities support the research and development conducted by the Group and are considered immaterial for the purposes of segment reporting. The Group invests excess funds in short-term deposits, but this is not regarded as a separate segment.

Patrys Limited
Notes to the financial statements
30 June 2024

Note 4. Operating segments (continued)

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the managing director who is the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Research and development tax incentive and other income

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
R&D tax incentive	1,285,038	2,775,033
Interest income	109,125	76,875
	<hr/>	<hr/>
Total research and development tax incentive and other income	<u>1,394,163</u>	<u>2,851,908</u>

R&D tax incentive income

Research and Development tax incentives are recognised in accordance with AASB 120: Accounting for Government Grants and Disclosure of Government Assistance. The Research and development tax incentive is recognised when there is reasonable assurance that the grant will be received, and all conditions have been complied with.

Interest

Interest income is recognised over the relevant period using the effective interest rate method.

Patrys Limited
Notes to the financial statements
30 June 2024

Note 6. Expenses

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	1,997	1,987
<i>Amortisation</i>		
License and registered patents	45,000	45,000
Total depreciation and amortisation	46,997	46,987
<i>Operating expenses</i>		
Clinical development, consultancy and laboratory consumables	2,510,663	6,813,768
Employment expenses associated with research and development	561,131	711,044
Administration & management expenses	1,057,961	1,437,684
	4,129,755	8,962,496
<i>Net foreign exchange loss</i>		
Net foreign exchange loss / (gains)	12,407	(52,349)
<i>Employee salary and benefit expense</i>		
Defined contribution superannuation expense	81,231	86,971
Salary and employee benefit expenses (excluding employment expenses associated with research and development)	499,632	403,879
Total employment expenses	580,863	490,850
<i>Share based payments expense</i>		
Share based payments (option expense and payments to consultant)	163,291	465,548

Note 7. Income tax expense

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,539,150)	(7,061,624)
Tax at the statutory tax rate of 25%	(884,788)	(1,765,406)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of revenue that is not assessable in determining taxable income	(321,260)	(693,759)
Effect of expenses that are not deductible in determining taxable income	706,923	1,686,743
Deferred tax assets not brought to account	499,125	772,422
Income tax expense	-	-

Patrys Limited
Notes to the financial statements
30 June 2024

Note 7. Income tax expense (continued)

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises:		
Tax losses - revenue	15,636,293	15,178,410
Deductible temporary differences	<u>196,209</u>	<u>272,935</u>
Total deferred tax assets not recognised	<u><u>15,832,502</u></u>	<u><u>15,451,345</u></u>

The benefit of these deferred tax assets (not recognised) will only be obtained if:

(i) the entities derive future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for losses to be realised;

(ii) the entities continue to comply with the conditions for deductibility imposed by the law;

(iii) no changes in tax legislation adversely affect the entities in realising the relevant benefits from deduction for the losses.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 8. Cash and cash equivalents

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Cash at bank	<u><u>2,240,661</u></u>	<u><u>3,045,516</u></u>

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Note 8. Cash and cash equivalents (continued)

The Group's exposure to interest rate and foreign currency risk is discussed in note 17.

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Trade and other receivables

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Research & Development tax incentive receivable	1,285,038	2,731,605
Other receivables	56,733	110,459
	<u>1,341,771</u>	<u>2,842,064</u>

Note 10. Other financial assets

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Term deposits	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

Note 11. Intangibles

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Intellectual property - at cost	720,000	720,000
Less: Accumulated amortisation	(371,250)	(326,250)
	<u>348,750</u>	<u>393,750</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Intellectual property
	\$
Balance at 1 July 2022	438,750
Amortisation expense	<u>(45,000)</u>
Balance at 30 June 2023	393,750
Amortisation expense	<u>(45,000)</u>
Balance at 30 June 2024	<u>348,750</u>

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Note 11. Intangibles (continued)

In 2016 the Group acquired Nucleus intellectual property. The acquisition provides Patrys with licence rights to a portfolio of novel anti-DNA antibodies that penetrate cell nuclei. This novel pre-clinical oncology asset and platform has multiple potential applications to treat a range of cancers.

Intangible assets comprise licences, intellectual property, trademarks and registered patents and have a finite useful life. Amortisation has been historically calculated using straight line method over the estimated useful life, which ranges from 5 to 20 years. The Group amortises the Nucleus intellectual property based on an estimated useful life of 16 years.

Amortisation and impairment expense is included in the line item Administration & management expenses in the Statement of Profit or Loss & Other Comprehensive Income.

Intellectual property which includes platform technology and product related intellectual property is reviewed on a regular basis and where a decision has been made not to pursue a product, the remaining value recorded as an asset is impaired. At each reporting date, the directors also review the intellectual property portfolio to determine whether there are any other indicators of impairment related to intellectual property.

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 16 years.

Note 12. Trade and other payables

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	238,390	290,412
Other creditors and accruals	132,727	131,359
	<u>371,117</u>	<u>421,771</u>

Refer to note 17 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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Note 13. Employee benefits

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	196,679	172,676
Long service leave	<u>120,939</u>	<u>92,451</u>
	<u>317,618</u>	<u>265,127</u>
<i>Non-current liabilities</i>		
Long service leave	<u>2,630</u>	<u>-</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 14. Issued capital

	Consolidated			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>2,055,750,236</u>	<u>2,055,571,295</u>	<u>85,734,437</u>	<u>85,730,143</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	2,055,302,658		85,723,696
Issue of shares upon exercise of options	16 February 2023	<u>268,637</u>	\$0.0240	<u>6,447</u>
Balance	30 June 2023	2,055,571,295		85,730,143
Issue of shares upon exercise of options	26 July 2023	148,940	\$0.0240	3,574
Issue of shares upon exercise of options	8 August 2023	<u>30,001</u>	\$0.0240	<u>720</u>
Balance	30 June 2024	<u>2,055,750,236</u>		<u>85,734,437</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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Note 14. Issued capital (continued)

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated Statement of Financial Position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 15. Reserves

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Foreign currency reserve	-	(4,198)
Share options reserve	1,430,027	2,051,074
Other reserves	<u>180,000</u>	<u>180,000</u>
	<u><u>1,610,027</u></u>	<u><u>2,226,876</u></u>

Foreign currency reserve

Exchange differences relating to translation from functional currencies of the Group's foreign controlled entities into Australian Dollars are brought to account by entries made directly to the foreign currency translation reserve.

Share based payment reserve

The equity settled share-based payment reserves arise on issue of options under the Employee Share Based Payment plan to executives and senior employees. Amounts are transferred out of the reserves and into issued capital when the options are converted to shares. Amounts are transferred to accumulated losses when the shares or options are cancelled. Further information about share-based payments during the year is provided in note 27 of the financial statements.

Other reserves

The other reserve consists of Tranche 3 shares for the acquisition of Nucleus Intellectual Property. When the Group meets the relevant milestone and the shares are issued, the amount is transferred out of the reserve and into issued capital.

Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. There have been no changes to these risks since the previous financial year. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, ageing analysis for credit risk and cashflow forecasts to determine liquidity risk.

The Board of Directors ensures that the Group maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risks inherent in the Group's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and foreign currency risk are reviewed by management on a regular basis and are communicated to the Board so that it can evaluate and impose its oversight responsibility. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Company and the Group have a policy regarding foreign exchange risk management. This and other financial risks are managed prudently by the Board and the Audit and Risk Committee.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using cash flow forecasting and sensitivity analysis.

The Group purchase and maintained cash in US dollars, Pound Sterling and Euros to cover a portion of its anticipated US dollar and Euro expenditure commitments.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters. The Group manages the currency risk by monitoring the trend of the US dollar, Pound Sterling and Euro. The Group maintains US dollar, Pound Sterling and Euro bank accounts to cover a portion of its recognised financial liabilities and future commercial transactions in the respective foreign currencies.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Consolidated	\$	\$	\$	\$
US dollars	53,795	81,719	(161,748)	(229,456)
Euros	88,916	93,152	-	-
Pound Sterling	13,915	14,008	-	-
	<u>156,626</u>	<u>188,879</u>	<u>(161,748)</u>	<u>(229,456)</u>

Consolidated - 30 June 2024	% Change	AUD strengthened		AUD weakened		Effect on equity after tax
		Effect on loss after tax	Effect on equity after tax	% Change	Effect on loss after tax	
US Dollars	10%	9,814	9,814	10%	(9,814)	(9,814)
Euros	10%	(8,083)	(8,083)	10%	8,083	8,083
Pound Sterling	10%	(1,265)	(1,265)	10%	1,265	1,265
		<u>466</u>	<u>466</u>		<u>(466)</u>	<u>(466)</u>

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Note 17. Financial instruments (continued)

Consolidated - 30 June 2023	% Change	AUD strengthened		% Change	AUD weakened	
		Effect on loss after tax	Effect on equity after tax		Effect on loss after tax	Effect on equity after tax
US Dollars	10%	13,431	13,431	10%	(13,431)	(13,431)
Euros	10%	(8,468)	(8,468)	10%	8,468	8,468
Pound Sterling	10%	(1,273)	(1,273)	10%	1,273	1,273
		<u>3,690</u>	<u>3,690</u>		<u>(3,690)</u>	<u>(3,690)</u>

Price risk

Price risk is the risk that future cashflows derived from financial instruments will be changed as a result of a market price movement, other than foreign currency rates and interest rates. Group is not exposed to any material commodity price risks.

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's short-term deposits held and deposits at call. The Group had no interest-bearing financial liabilities at the reporting date. The variance in market interest rates on interest income is not material.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has reviews the creditworthiness of the counterparties prior to engagement and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral at the reporting date.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group measures credit risk on a fair value basis.

The carrying value of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk. Maturity analysis of financial assets and liabilities based on management's expectations as follows:

Liquidity risk

Liquidity risk is the risk that the Group will not be able to pay its debts as and when they fall due. The Group has no borrowings at reporting date and the Directors ensure that the cash on hand is sufficient to meet the commitments of the Group at all times during the research and development phase.

Operating cash flows are used to maintain and expand the Group's assets. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and also through assessment of available funding to identify risks to the cash position of the business.

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Note 17. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of Financial Position.

Consolidated - 30 June 2024	1 year or less \$	Remaining contractual maturities \$
Non-derivatives		
<i>Non-interest bearing</i>		
Trade payables	238,390	238,390
Other payables	132,727	132,727
Total non-derivatives	371,117	371,117
Consolidated - 30 June 2023	1 year or less \$	Remaining contractual maturities \$
Non-derivatives		
<i>Non-interest bearing</i>		
Trade payables	290,412	290,412
Other payables	131,359	131,359
Total non-derivatives	421,771	421,771

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Key management personnel disclosures

Directors

The following persons were Directors of Patrys Limited during the financial year:

Dr. Charmaine Gittleson (Non-Executive Chairman)
Dr. James Campbell (Managing Director & CEO)
Mr. Michael Stork (Non-Executive Director and Deputy Chair)
Dr. Pamela M. Klein (Non-Executive Director)
Ms. Suzy Jones (Non-Executive Director - retired on 15 September 2023)

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated 30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	594,267	746,349
Post-employment benefits	36,957	32,631
Long-term benefits	18,066	9,474
Share-based payments	54,910	251,167
	704,200	1,039,621

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Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor and its related entities of the Company:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Audit services - BDO Audit Pty Ltd</i>		
BDO Audit Pty Ltd - Audit or review of the financial statements	90,000	78,000
<i>Other services - BDO Services Pty Ltd</i>		
BDO Services Pty Ltd - Review and lodgement of corporate tax returns	18,500	17,600
	108,500	95,600

Note 20. Commitments and contingent liabilities

Capital expenditure commitments

There was no capital expenditure contracted for at reporting date but not provided for in the financial statements at 30 June 2024 (30 June 2023: None).

Licence agreements

Patrys has entered into a number of licence agreements in respect of technologies and assets as outlined below. There were no changes to the latter three agreements from the 30 June 2023 Annual Report.

Patrys - Debiovision - Option License and Assignment Agreement

In August of 2009, Patrys acquired the rights to product SC-1 (renamed PAT-SC1) from Debiovision Inc. Once developed, Patrys royalties will be payable to Debiovision on the sale of products that derive from PAT-SC1. These royalty rates are typical in the industry for transactions of this nature. This agreement, which concerned historical IgM assets of Patrys that are no longer under development, was terminated during FY 2023.

Nucleus Therapeutics – Yale University – License, Commercialisation and Development Agreement

In March of 2016, Patrys acquired the Nucleus Therapeutics Pty Ltd, in order to obtain the global license for the development as anti-cancer agents the antibodies 3E10 and 5C6 from Yale University. Once developed, certain milestone payments and royalties will be payable to Yale University regarding products that derive from 3E10 and/or 5C6. These milestones and royalties are typical in the industry for transactions of this nature.

Nucleus Therapeutics – Sigma Aldrich Pty Ltd Non-Exclusive Licence Agreement

In February of 2021, Nucleus Therapeutics (a wholly-owned subsidiary of Patrys) entered into a licence agreement with Sigma Aldrich Pty Ltd., covering the use of Sigma’s CHOZN GS cell line for Patrys’ product, PAT-DX1. If Patrys wishes to commercialise any of the products developed under the licence agreement it has the right to enter into a commercial license with Sigma which would incur a marketing approval fee (AUD conversion to be completed at applicable future exchange rates) payable upon filing per marketing approval in the US, the EU and any other market. The marketing approval fee is typical in the industry for transactions of such nature.

Payload Therapeutics – Yale University – License, Commercialisation and Development Agreement

In June 2017, Payload Therapeutics (a wholly-owned subsidiary of Patrys) obtained the global license for the development as anti-cancer agents the antibodies 3E10 nanoparticles from Yale University. Once developed, certain milestone payments and royalties will be payable to Yale University regarding products that derive from 3E10 nanoparticles. These milestones and royalties are typical in the industry for transactions of this nature.

Contingent liabilities

The Group does not have any contingent liabilities or assets at the reporting date.

Note 21. Related party transactions

Parent entity

Patrys Limited is the parent entity.

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Note 21. Related party transactions (continued)

Subsidiaries

Interests in subsidiaries are set out in note 23.

Key management personnel

Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Payment for other expenses:		
Consulting fees paid to Suzy Jones*	-	7,440

* R&D consulting fee of USD 5,000 at an exchange rate of 0.6721 was paid to DNA Ink LLC, an entity associated with Ms Jones at arm's length market rates.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

Transactions with controlled entities

There were no loans to/from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax	<u>(1,464,700)</u>	<u>(9,567,363)</u>
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(1,464,700)</u>	<u>(9,567,363)</u>

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Note 22. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Total current assets	2,289,890	3,503,386
Total non-current assets	353,051	395,422
Total assets	2,642,941	3,898,808
Total current liabilities	472,214	433,596
Total non-current liabilities	2,630	-
Total liabilities	474,844	433,596
Net assets	<u>2,168,097</u>	<u>3,465,212</u>
Equity		
Issued capital	85,734,437	85,730,143
Share options reserve	1,610,027	2,231,074
Accumulated losses	(85,176,367)	(84,496,005)
Total equity	<u>2,168,097</u>	<u>3,465,212</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Company had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 (2023: Nil).

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 (2023: Nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 (2023: Nil).

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024 %	30 June 2023 %
Patrys GmbH (*)	Germany	-	100%
Nucleus Therapeutics Pty Ltd	Australia	100%	100%
Payload Therapeutics Pty Ltd	Australia	100%	100%
Transmab Pty Ltd	Australia	100%	100%

* On 9 November 2023, the de-registration of the Consolidated Entity's wholly-owned German subsidiary, Patrys GmbH was completed.

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Note 24. Events after the reporting period

On 29 July 2024, the Company announced that the PAT-DX1 GMP manufacturing run has identified an inconsistency with one of the processes used in specification testing which is currently being rectified. The specification testing of the manufacturing run of PAT-DX1 is now expected to be complete in the second half of August 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 25. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax expense for the year	(3,539,150)	(7,061,624)
Adjustments for:		
Depreciation and amortisation	46,997	46,987
Share based payments	163,291	465,548
Change in operating assets and liabilities:		
Decrease in trade and other receivable	1,500,293	573,262
Decrease in prepayments	15,377	52,928
(Decrease)/increase in trade and other payables	(57,866)	112,028
Increase in other provisions	55,121	32,049
Net cash used in operating activities	<u>(1,815,937)</u>	<u>(5,778,822)</u>

Note 26. Loss per share

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax attributable to the Owners of Patrys Limited	<u>(3,539,150)</u>	<u>(7,061,624)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>2,055,750,236</u>	<u>2,055,402,017</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>2,055,750,236</u>	<u>2,055,402,017</u>
	Cents	Cents
Basic losses per share	(0.1722)	(0.3436)
Diluted losses per share	(0.1722)	(0.3436)

As at 30 June 2024, the Consolidated Entity had 101,500,000 (2023: 389,743,888) quoted and unquoted options, which are excluded from the calculation of basic and diluted earnings per share. These equity instruments are considered to be anti-dilutive, as their inclusion would not decrease earnings per share nor increase the loss per share, from continuing operations.

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to the Owners of Patrys Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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Note 26. Loss per share (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 27. Share based payments

The following share-based payment arrangements were in existence during the current and/or prior reporting period:

Employee equity

The Company issues equity to directors, employees and key consultants of the Group, under either the Loan Share Plan (LSP) or the Executive Share Option Plan (ESOP). Under the plans, participants are issued with equity to foster an ownership culture within the Company to motivate them to achieve performance targets of the Group. Participation in the plans is at the Board's discretion and no individual has a contractual right to participate in the plans or to receive any guaranteed benefits.

Loan Share Plan (LSP)

The Company introduced the LSP in December 2009, following approval of the plan at the 2009 Annual General Meeting. Only Australian residents are eligible to participate in the plan. The plan allows non-recourse, interest free loans to be provided to eligible participants to acquire shares under the plan. When an issue is made it is treated as an in-substance grant of options and expensed over the vesting period because of the limited recourse nature of the loans. Generally, shares issued under the plan vest over a three-year period. The shares are acquired in the name of the participant and each participant authorises and appoints the Company Secretary to act on their behalf. Any dividends paid on the shares are used to repay the loan. If the participant leaves the Company, any shares that have not vested are bought back by the Company and cancelled along with the loan. In respect of shares that have vested, generally, the loan balance must be paid in full within six months of termination of appointment or the shares are sold, and the proceeds applied to settle the loan balance. The issue price of the shares in the Company held under the LSP is not included in equity until the loan has been repaid. There were no outstanding loans or shares under LSP at 30 June 2024.

Executive Share Option Plan (ESOP)

Options are granted under the ESOP. Under the ESOP each option granted converts into one ordinary share of Patrys Limited. Options are granted under the plan for no consideration and carry no dividend or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The options are typically issued in two or three equal tranches which vest over a three-year period, each tranche having varied expiry dates after vesting date. The exercise period in relation to an option, means the period in which the option may be exercised, and is specified by the Board. If a participant ceases to be appointed as a director or employed by any member of the Group (other than due to his/her death) then, generally, options that have vested at the date of cessation of appointment/employment will lapse if not exercised within six months of the cessation date unless an extension is granted by the Board. In the case of death of the participant then the exercise period is extended to twelve months. All unvested options will generally lapse on cessation.

The valuations of shares issued under the LSP and options issued under the ESOP are determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued.

The Board aims to ensure that the aggregate number of shares or options which may be issued pursuant to the LSP and ESOP shall not at any time exceed 5% of the total number of issued shares of the company (not including any issues made under the ESOP to Directors of the company). All issues of shares or options under the plans are subject to approval by the Nomination & Remuneration Committee.

Set out below are summaries of options granted under the Executive Share Option Plan:

Patrys Limited
Notes to the financial statements
30 June 2024

Note 27. Share based payments (continued)

- Between November 2016 to June 2020, the Company issued a total of 76,000,000 unquoted options to the employees under the ESOP with varying exercise prices and expiry dates of which 8,500,000 remained unexpired on 30 June 2024.
- On 15 December 2021, the Company issued 22,600,000 unquoted options, with an exercise price of 2.7 to directors and employees of the Group under the ESOP of which 600,000 options have been lapsed in FY2023. These options expire on 18 December 2024.
- In November 2021, the Company issued 44,000,000 unquoted options to the employees and consultants, with an exercise price of 5.9 cents. These options expire on 30 September 2025 and 15 March 2026, respectively.
- On 16 November 2022, the Company issued 8,000,000 unlisted options, to Dr Charmaine Gittleson as part of her sign-on package. These unlisted options are exercisable at \$0.045 each, have various vesting conditions, and expire on 14 November 2026.
- On 11 May 2023, the Company issued 19,000,000 Unlisted Options, subject to various vesting conditions, exercisable at \$0.045 (4.5 cents) each, with 18,500,000 expiring 10 April 2026 and 500,000 expiring 30 September 2026, to an eligible employee and consultants respectively of the Company under the Company's Equity Incentive Plan (EIP).

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/11/2018	22/11/2023	\$0.0350	28,000,000	-	-	(28,000,000)	-
15/03/2019	15/03/2024	\$0.0290	3,000,000	-	-	(3,000,000)	-
12/09/2019	31/08/2024	\$0.0290	1,500,000	-	-	-	1,500,000
01/10/2019	01/10/2024	\$0.0350	4,000,000	-	-	-	4,000,000
15/03/2020	15/03/2025	\$0.0220	2,750,000	-	-	-	2,750,000
08/05/2020	05/05/2025	\$0.0170	250,000	-	-	-	250,000
08/05/2020	05/08/2023	\$0.0240	7,500,000	-	(30,001)	(7,469,999)	-
21/12/2020	05/08/2023	\$0.0240	1,250,000	-	(148,940)	(1,101,060)	-
15/12/2020	15/12/2023	\$0.0400	8,300,000	-	-	(8,300,000)	-
15/12/2020	15/12/2024	\$0.0270	22,000,000	-	-	-	22,000,000
05/11/2021	30/09/2025	\$0.0590	25,000,000	-	-	-	25,000,000
17/11/2021	30/09/2025	\$0.0590	16,250,000	-	-	-	16,250,000
19/11/2021	30/09/2025	\$0.0590	250,000	-	-	-	250,000
19/11/2021	15/03/2026	\$0.0590	2,500,000	-	-	-	2,500,000
16/11/2022	14/11/2026	\$0.0450	8,000,000	-	-	-	8,000,000
11/05/2023	10/04/2026	\$0.0450	18,500,000	-	-	-	18,500,000
11/05/2023	30/09/2026	\$0.0450	500,000	-	-	-	500,000
			149,550,000	-	(178,941)	(47,871,059)	101,500,000
<i>Weighted average exercise price</i>			\$0.0419	\$0.0000	\$0.0240	\$0.0335	\$0.0458

Patrys Limited
Notes to the financial statements
30 June 2024

Note 27. Share based payments (continued)

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
15/03/2018	15/03/2023	\$0.0613	500,000	-	-	(500,000)	-
15/03/2018	01/07/2022	\$0.0613	2,500,000	-	-	(2,500,000)	-
01/06/2018	18/04/2023	\$0.0200	2,500,000	-	-	(2,500,000)	-
22/11/2018	22/11/2023	\$0.0350	32,000,000	-	-	(4,000,000)	28,000,000
15/03/2019	15/03/2024	\$0.0290	3,000,000	-	-	-	3,000,000
12/09/2019	31/08/2024	\$0.0290	1,500,000	-	-	-	1,500,000
01/10/2019	01/10/2024	\$0.0350	4,000,000	-	-	-	4,000,000
15/03/2020	15/03/2025	\$0.0220	2,750,000	-	-	-	2,750,000
08/05/2020	05/05/2025	\$0.0170	250,000	-	-	-	250,000
08/05/2020	05/08/2023	\$0.0240	7,500,000	-	-	-	7,500,000
21/12/2020	05/08/2023	\$0.0240	1,250,000	-	-	-	1,250,000
15/12/2020	15/12/2023	\$0.0400	8,300,000	-	-	-	8,300,000
15/12/2020	18/12/2024	\$0.0270	22,600,000	-	-	(600,000)	22,000,000
05/11/2021	30/09/2025	\$0.0590	25,000,000	-	-	-	25,000,000
17/11/2021	30/09/2025	\$0.0590	16,250,000	-	-	-	16,250,000
19/11/2021	30/09/2025	\$0.0590	250,000	-	-	-	250,000
19/11/2021	15/03/2026	\$0.0590	2,500,000	-	-	-	2,500,000
16/11/2022	14/11/2026	\$0.0450	-	8,000,000	-	-	8,000,000
11/05/2023	10/04/2026	\$0.0450	-	18,500,000	-	-	18,500,000
11/05/2023	30/09/2026	\$0.0450	-	500,000	-	-	500,000
			<u>132,650,000</u>	<u>27,000,000</u>	<u>-</u>	<u>(10,100,000)</u>	<u>149,550,000</u>

Weighted average exercise price \$0.0410 \$0.0450 \$0.0000 \$0.0370 \$0.0419

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2024 Number	30 June 2023 Number
22/11/2018	22/11/2023	-	19,000,000
15/03/2019	15/03/2024	-	3,000,000
12/09/2019	31/08/2024	1,500,000	1,500,000
01/10/2019	01/10/2024	3,000,000	3,000,000
15/03/2020	15/03/2025	2,750,000	2,750,000
08/05/2020	05/05/2025	250,000	250,000
05/05/2020	05/08/2023	-	7,500,000
21/12/2020	05/08/2023	-	1,250,000
15/12/2020	15/12/2023	-	8,300,000
15/12/2020	18/12/2024	21,400,000	21,400,000
17/11/2021	30/09/2025	500,000	500,000
19/11/2021	30/09/2025	2,500,000	2,500,000
16/11/2022	14/11/2026	2,000,000	2,000,000
11/05/2023	10/04/2026	4,625,000	4,625,000
11/05/2023	30/09/2026	500,000	500,000
		<u>39,025,000</u>	<u>78,075,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.55 years (2023: 1.24 years).

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Note 27. Share based payments (continued)

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Patrys Limited
Consolidated entity disclosure statement
As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Patrys Limited	Body corporate	Australia	-	Australia
Nucleus Therapeutics Pty Ltd	Body corporate	Australia	100.00%	Australia
Payload Therapeutics Pty Ltd	Body corporate	Australia	100.00%	Australia
Transmab Pty Ltd	Body corporate	Australia	100.00%	Australia

Patrys Limited
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Dr. Charmaine Gittleson
Chair

23 August 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Patrys Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Patrys Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition, including the Existence and Accuracy of Research and Development (R&D) Tax Incentive</p> <p>As at 30 June 2024, the statement of financial position included a receivable for R&D tax incentives due to be collected from the Australian Taxation Office (ATO).</p> <p>This receivable relates to the research and development (R&D) tax incentive that encourages companies to engage in R&D activities by providing a grant to cover a certain percentage of the eligible expenditure incurred during a financial year.</p> <p>The calculation of the R&D tax incentive is complex and requires a level of judgement as to the amount of eligible expenditure that can be claimed and the appropriate rate to be applied.</p>	<p>Our procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Performed testing on a sample basis of the R&D expenditure incurred during the financial year to underlying supporting documentation in order to verify that the expenditure claimed was incurred. • Obtained the R&D workings as prepared by management’s experts and engaged our BDO Indirect Tax experts to review the expenditure claimed and the tax rate applied are appropriate and in line with the ATO guidelines. • Assessed the appropriateness of the disclosures included in the financial report with reference to the requirements of the Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2024, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and



- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 30 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Patrys Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Wai Aw
Director

Melbourne, 23 August 2024

Patrys Limited
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 14 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of ordinary shares	% of ordinary shares	Number of holders of unlisted options	Number of unlisted options	% of unlisted options
1 - 1,000	132	11,215	0.00	-	-	-
1,001 - 5,000	55	217,899	0.01	-	-	-
5,001 - 10,000	119	1,031,194	0.05	-	-	-
10,001 - 100,000	1,516	72,037,624	3.50	-	-	-
100,001 - and over	1,487	1,984,149,403	96.44	13	101,500,000	100.00
	3,310	2,057,447,335	100.00	13	101,500,000	100.00
Holding less than a marketable parcel	1,454	71,429	0.00	-	-	-

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total Shares issued
DR DAX MARCUS CALDER	129,000,000	6.27
CITICORP NOMINEES PTY LIMITED	99,195,175	4.82
STORK HOLDINGS 2010 LTD	98,773,814	4.80
DAX CALDER PTY LTD	65,000,000	3.16
MR MLADEN MARUSIC	59,680,843	2.90
KEMAST INVESTMENTS PTY LTD <KM STOKES S/F NO 1 A/C>	39,814,272	1.94
ESTELLEANNE PTY LTD	35,500,000	1.73
MARGINATA PTY LTD <ROY BOLTON SUPER FUND A/C>	31,000,000	1.51
ALTUM TRUSTEES LIMITED <MK PENSION PLAN-473278 A/C>	28,049,888	1.36
STAFFWEAR PTY LTD <DAX CALDER SUPER FUND A/C>	27,000,000	1.31
ALTUM TRUSTEES LTD <THE KONDA FAMILY A/C>	26,499,994	1.29
TOWNS CORPORATION PTY LTD <PAE FAMILY A/C>	21,715,000	1.06
MR VINH TRAN	21,513,277	1.05
MR JUSTIN FRANK PUDDICK	19,000,000	0.92
YALE UNIVERSITY	16,116,324	0.78
EDSTOP PTY LIMITED <SUPERANNUATION FUND A/C>	15,501,223	0.75
MR CRAIG GEOFFREY THOMAS	13,439,814	0.65
MR BENJAMIN JOHN WAGNER	13,280,000	0.65
MR VISHAL GUMBER	12,933,733	0.63
MR THOMAS EDGAR EDMUNDS + MRS SUSAN RAE EDMUNDS <THE EDMUNDS FAMILY S/F A/C>	11,500,000	0.56
	784,513,357	38.13

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	101,500,000	13

Patrys Limited
Shareholder information
30 June 2024

Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Dr Dax Marcus Calder	120,117,634	11.19

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

All issued shares carry voting rights on a one-for-one basis.

Unquoted Options

There are no voting rights attached to the unquoted options.

There are no other classes of equity securities.

Corporate Governance Statement

Refer to the Company's Corporate Governance statement at: <https://patrys.com/investors/#corporate-governance>

Annual General Meeting

Patrys Limited advises that its Annual General Meeting will be held on Wednesday, 20 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX in due course. In accordance with ASX Listing Rules and the Company's Constitution, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEDT) on 1 October 2024.



Corporate directory

DIRECTORS

Dr Charmaine Gittleson (Non-Executive Chairman)

Dr. James Campbell (Managing Director & CEO)

Mr. Michael Stork (Non-Executive Director and Deputy Chairman)

Dr. Pamela Klein (Non-Executive Director)

COMPANY SECRETARY

Mr. Stefan Ross

REGISTERED OFFICE

Level 4, 96-100 Albert Road, South Melbourne VIC 3205 Phone: +61 3 9692 7222

PRINCIPAL PLACE OF BUSINESS

Level 4, 96-100 Albert Road, South Melbourne VIC 3205

Phone: +61 3 9670 3273

SHARE REGISTER

Computershare Investor Services Pty Limited 452 Johnston Street, Abbotsford VIC 3067

Phone: 1300 850 505 (within Australia)

Phone: +61 3 9415 4000 (outside Australia)

AUDITOR

BDO Audit Pty Ltd Tower 4, Level 18, 727 Collins Street, Melbourne VIC 3008 Australia

STOCK EXCHANGE

Patrys Limited shares are listed on the Australian Securities Exchange (ASX code: PAB and Listed Options: PABOA)

WEBSITE

patrys.com

Corporate and social responsibility

Patrys is a leading therapeutic development company developing a platform of cell-penetrating antibodies as potential therapeutics for a range of different diseases. In pursuing this objective, Patrys acknowledges its role within society and believes its success will deliver long-term positive benefits to all stakeholders. Patrys' corporate governance principles and code of conduct set the framework for how the Company, management and employees are expected to conduct themselves.

Our people

The employees of Patrys are essential to the Company achieving business success. To ensure Patrys remains a safe, healthy, and attractive workplace for our employees, Patrys has established workplace policies and practices.

Patrys' code of conduct reflects the core values of the Company and sets out standards of behaviour in matters including compliance with all legal operations of the Company. Patrys has significantly lower rates of employee turnover than the industry average. This higher rate of employee retention is indicative of its positive and collegiate workplace. Patrys prides itself on a strong culture based on accountability, performance, and ethical and respectful behaviours. The Board has adopted a diversity policy to provide a framework for Patrys to achieve a number of diversity objectives including, but not limited to, gender, age, ethnicity, disability, sexual orientation and cultural background. Within the limits of a small organisation, Patrys believes that it is tracking well on measures of diversity, including six of the nine leadership roles in the Board and Management being held by females, and similarly five being born outside of Australia. Patrys strives to put in place measures, such as flexible working arrangements, specifically to encourage participation by all.

Employee option schemes are used to provide the opportunity for all staff to share in the success of the Company and to assist in aligning the objectives of employees with those of shareholders.

The community

Through innovative research and development, Patrys is creating products for needs which are currently unmet within the health and medical markets. All of Patrys' preclinical research activities comply with strict regulatory and ethical approval processes.



patrys

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